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CHALLENGES AHEAD**



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A CRITICAL STUDY OF RETAIL MARKETING AND ITS IMPACT ON BUSINESS ENVIRONMENT WITH SPECIAL REFERENCE TO RETAIL SECTOR OF INDIA

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ABSTRACT

Retail stores may be a comparatively recent phenomenon in India, with a specially created ambience making shopping an experimental affair. Indeed, we are even beginning to demand places where we can avail the luxuries of spending the whole day in one place, taking advantage of a bouquet of services in which shopping is only a part. So, you can browse, window shop, make purchases, break off for a meal, take in some entertainment, and listen to music. This concept of organized retail marketing, which has caught on like lightning, is really just the creation of a distribution network that cuts out various intermediary costs and creates a much smoother interface between manufacturer and customer. Total sales going up to \$6.6 trillion, the industry today is the world's largest private industry and accounts for over 8 per cent of the GDP in western countries. And now, it's India's turn. Today, we stand at the crossroads of a retail revolution. After 50 years of unorganized retailing and fragmented kirana stores with very basic offerings, fixed prices, zero usage of technology and little or no ambience the industry have finally begun to move towards modernization, systematization and consolidation. Retailing has now become a key growth area. There has been an attitude change in the way the Indian consumer thinks about shopping. Over the last decade, there has been a significant evolution in his psyche, a change that has been carefully recorded and documented by behavioral pundits. Its impact is also seen in small towns. The change was kicked off by the economic liberalization of the 1990's and accelerated by the media (cable) boom following the Gulf War, when the radical explosion in media images exposed the Indian consumer to the lifestyle enjoyed in more affluent countries. Earlier, it was the lack of consumer culture along with low incomes that prevented the development of such formats. The early indicators of this revolution are the mushrooming of better quality retail outlets, a profusion of brands and various product options. The retail industry is now beginning to evolve. Traditionally, most retailers have very localized operations but this nature of the industry is fast changing with the awareness that sources must be developed and a proper merchandising system put in place. The pace of transformation has accelerated and today India has over 12 million retail outlets. As a phenomenon, retail marketing has a **radical impact on business environment** and can bring in new technologies, systems and mindsets. It can improve overall labor, productivity and employment, all in the name of providing the consumer with a better range of products at better prices in a better ambience with increased business. This project is mainly based on secondary data, it was collected from various websites and books of reputed authors. To further understand the changing business environment, a field survey was also conducted.

Keywords: *Retail management, Retail store expansion, New retail opportunities, Reaching customers, Retail selling, New retail idea.*

METHODOLOGY

This project is a mixture of theoretical as well as practical knowledge. It also contains ideas and information imparted by the guide. The secondary data required for the project was collected from various websites and books of reputed authors.

This project started with sorting all the raw data and arraigning it in perfect order. To add value to the project and understand the practicality of retailing business, a field survey was conducted to find out the taste, preferences, purchasing habits, expectation of the consumers, etc.

Retailing: Definition and Scope

Retailing is derived from the French word retailer, which means, “to cut a piece of”. Thus, retailing can be defined as a set of business activities that adds value to the products and services sold to the final customers for their personal, family or household use. A retailer is the key player in the marketing process as he regularly interacts with the end customer. From a marketer’s point of view, retailing can be defined as a set of marketing activities designed to provide satisfaction to the end customer and profitably maintain the customer base by continuous quality improvements across all areas concerned with selling goods and services.

Retailing involves:

- Understanding the needs of the consumers.
- Developing good assortment of merchandise.
- Displaying the merchandise in an effective manner so that consumer find it easy and attractive to buy.

A retailer is any business establishment that directs its marketing efforts towards the end users for the purpose of selling goods and services. Retailers comprise street vendors, local kirana stores, supermarkets, food joints, saloons, airlines, automobile showrooms, video kiosks, direct marketers, vending machine operators, etc. an organization qualifies to be a retailer only when it derives a major chunk of its revenues from its transactions with end users.

List of retail institutions:

Motor vehicle dealer	Shoe store
Catalog and mail-order houses	Florists
Motorcycle dealers	Grocery stores
Food stores	Liquor stores
Children’s and infants’ wear stores	Hardware stores
Radio, television , and consumer electronics	Retail bakeries
Book stores	Camera and photographic supply stores
Fuel dealers	Stationery stores
Lumber and other building material dealers	Men’s and boys’ clothing and accessory
Home furnishing stores	Drapery, curtain and upholstery stores
Women’s accessory and specialty stores	Women’s clothing stores
Used merchandise stores	Sewing, needlework, and piece goods stores
Musical instrument stores	Dairy products stores
Luggage and leather goods stores	Variety stores

Department stores	Eating places
Sporting goods stores and bicycle shops	Tobacco stores and stalls
Gift, novelty, and souvenir shops	Gasoline service stations
Family clothing stores	CDs and VCD stores
Apparel and accessories stores	Paint, glass and wallpaper stores
Hobby, toy, and game shops	Candy, nut and confectionery stores
Optical goods stores	Household appliance stores
Jewelry stores	Floor covering stores
Furniture stores	Fruits and vegetable markets
Retail nurseries, lawn and garden supply stores	Drug stores and proprietary stores

Retailers Role in Distribution Channel

A retailer is a last entity in the distribution channel. Retailers include all businesses and individuals who actively participate in the transfer of ownership of goods and services to their end users.

A retailer usually plays the role of an intermediary, which links the producers, wholesalers, and the other suppliers with consumers. Companies generally prefer to specialize in manufacturing the products, leaving the task of selling the products to an outside party i.e. few wholesalers or retailers.

Benefits of retailing :

The first point under retailing benefits for customers, bulk breaking, refers to the act of retailers of buying goods in large quantities and then breaking them into smaller sizes for their individual customers. As a result purchases become convenient for customers - in terms of quantity bought as well as expenditures made.

Benefits to consumers :

Retailer act as buying agents for consumers. They perform various business activities that increase the value of the goods and services they sell to the end consumer. If there were no retailers in the distribution system, consumers would have to personally visit the manufacturers to procure the goods and services required by them. As a buying agent, a retailer performs various activities to satisfy the end consumer. These activities include:

- Breaking bulk
- Providing assortment
- Holding inventory
- Providing after sales services
- Providing information

Benefits to manufacturers and wholesalers

Manufacturers and wholesalers consider retailing as a channel for delivering their products/ services to the end customer. By selling products and services (of a manufacturer on a much larger scale), retailers provide the manufacturer with greater revenues, which could be reinvested in production and sales of the manufacturer's products.

Retailers function as the sensory organs of manufacturers. While designing new products or upgrading an existing product, manufacturers depend on retailers to gather information regarding the tastes and preferences of customers. Retailers provide feedback on

the goods and services offered by them. This helps them to make modifications to the existing products or launch new products to satisfy the needs of customers.

Retailers also share some of the risks of the manufacturers by paying for the goods before they are actually sold to the final customer. A retailer is exposed to three types of obsolescence risks:

- Physical obsolescence
- Technological obsolescence
- Fashion obsolescence

Benefits to the economy

The retailing business is the largest private industry in the world with a turnover of US \$6.6 trillion. Retailing plays a crucial role in the management of world economy and retailers and retailers constitute a tenth of the Fortune 500 companies. In India, retailing accounts for over 10 per cent of the country's GDP and around eight per cent of the employment, only next to the agricultural industry. The value of the total retail trade in India was Rs. 400,000 crore in 1999 and analysts feel that this will increase at the rate of 20 per cent every year and touch Rs. 800,000 crore by the year 2005. In the year 2000 India's per capita GDP was \$ 468 and per capita retail sales amounted to \$ 220. The table below gives the per capita GDP and retail sales of various countries across the world.

Evolution of retailing

The origins of retailing in India can be traced back to the emergence of Kirana stores and mom-and-pop stores. These stores used to cater to the local people. Eventually the government supported the rural retail and many indigenous franchise stores came up with the help of Khadi & Village Industries Commission. The economy began to open up in the 1980s resulting in the change of retailing. The first few companies to come up with retail chains were in textile sector, for example, Bombay Dyeing, S Kumar's, Raymonds, etc. Later Titan launched retail showrooms in the organized retail sector. With the passage of time new entrants moved on from manufacturing to pure retailing.

Retail outlets such as Foodworld in FMCG, Planet M and Musicworld in Music, Crossword in books entered the market before 1995. Shopping malls emerged in the urban areas giving a world-class experience to the customers. Eventually hypermarkets and supermarkets emerged. The evolution of the sector includes the continuous improvement in the supply chain management, distribution channels, technology, back-end operations, etc. this would finally lead to more of consolidation, mergers and acquisitions and huge investments.

1. Factors affecting retailing industry which has an impact on business environment

Some of the factors which have been responsible for the growth of retail industry in India, have been discussed below:

1.1.1 Economic growth

India is one of the largest economies in the world. The gradual increase in the Gross Domestic Product (GDP) and the purchasing power of Indians provided an excellent opportunity for organized retailing. According to an international monetary fund report (1998), private consumption in India accounts for 61.4% of the GDP. India was ranked at the fourth largest economy in the world in terms of its Purchasing Power Parity (PPP)

1.1.2 Urbanization

The twentieth century witnessed a rapid growth of urban population in India. While the total population of India grew by 3.5 times from 1901 to 1991, its urban population increased nine fold from 25 million to 217 million in the same period. The share of urban population in class I cities (with population 100,000 and above) in the total urban population has increased from 26 percent to 65 percent during this period.

These cities contribute nearly 55 percent of the GDP of India and this share is expected to rise further in the coming years. The rising concentration of urban population with higher purchasing power has attracted big players to venture into organized retailing in these cities

1.1.3 Consumerism

The increase influence of the western media has led to a considerable change in the lifestyle of the Indian consumer. The economic wellbeing of the Indian middle class and their growing aspirations for material comforts has also been responsible for consumerism slowly gaining momentum in India. Today, the Indian consumer is more inclined towards buying goods like cars, washing machines, audio systems, designer dresses, cosmetics and other personal care products.

1.1.4 Brand profusion

Consumerism and increased brand consciousness of Indian consumers has led to increased number of brands. Today every product is branded. Even products like salt, oil, flour etc., which were sold as commodities a decade ago are now branded. Although there are no international retail stores in India, almost every international brand is available to the Indian consumer. India also has its share of strong domestic brands like Titan watches, Asian paints, Thums Up (now owned by coke, McDowell's whisky, kingfisher beer etc. thus, the launch of more and more brands into the market increased demand for shelf space and hence the demand for more retail outlets.

1.1.5 Availability of real estate

The cost of real estate forms a major part of the fixed investment for a retailer. In the last few years, real estate prices have hit the lowest and encouraged many entrepreneurs to set up retail stores in different parts of the country. Apart from the decrease in real estate costs, availability of ample retail space also has led to the proliferation of retail stores in India.

Retailing environment

Like any other industry, the retail industry is also affected by the external environment. Some of the constituents of the external environment, which have an impact on a retail organization, are

- Economic environment
- Legal environment
- Technological environment
- Competitive environment

Economic Environment

The nature of the economic system (capitalism, socialism) in a country has a direct impact on the retailer's business. Therefore, a retailer should have a thorough understanding of the various economic factors of a country that would influence their operations and profitability. Some of the economic factors that affects the retailer are – Gross

domestic product, rate of inflation, purchasing power, interest rates, tax levels, employment growth etc. higher growth rate of GDP (in real terms) implies that consumers have more income and hence, they spend more, resulting in higher sales and more profits for retailers. On the other hand, increase in inflation leads to a decrease in the purchasing power of the consumers. The economic reforms of the 1990's have resulted in higher economic growth than that observed in the previous decade. The GDP growth (in real terms) and the change in consumer price inflation from 1998 to 2002 have provided in table below

Legal environment

Government use various laws and regulations to ensure that retailers do not indulge in unfair practices. But most of the times, these regulations hamper the growth of the retail industry. Some of the legal and regulatory problems that retailers face in India are; (FDI), property regulations, and complex taxations system. Each of these have been explained below:

Foreign direct investment (FDI) restrictions

FDI in retailing had been permitted in India for a short period prior to 1997 and approvals were granted to few MNCs like Nanz to set up retail chains. The government later retracted its decision and banned further FDI in the retailing sector. It felt that huge foreign direct investment in this sector would be a threat to existing kirana stores. In that short period when FDI was permitted in the retail sector, many multinational companies have entered India through joint ventures or franchisee agreements. For example FoodWorld is a 51: 49 joint venture between RPG Group and the Hong Kong based Dairy Farm International (a \$ 10 bn company).

The ban on foreign direct investment and the lack of industry status for retailing made it difficult for foreign players to fund huge retail ventures in India. But, the Government of India has permitted foreign players to forge franchising and technical alliance with Indian retailers.

Marks & Spencer used this opportunity to enter India through the licensee route.

Based on the recommendations of the N K Singh Committee the Government is planning to again permit FDI in the retail sector would

- Bring in valuable foreign exchange
- Bring about organization of the sector
- Provide employment to thousands of Indians
- Provide a wider choice of products at reduced prices to the customer
- Improve the shopping experience

Apart from the above benefits, the entry of large, well-established foreign retail players with considerable experience is expected to lead to an increase in consumer awareness and provide efficient and value-added services to customers and business

Property regulations

Death of good quality retail space in prime location and sky rocketing rental and lease amounts are some hurdles in the growth of the retail industry in India. Some of the problems faced by organized retailers include high prices of retail space, hefty stamp duties for property transfer, rigid zonal laws, urban land ceiling acts etc.

Real estate

The government is the single largest owner of land in India. Hence it is very difficult for organised retailers to find suitable sites for establishing retail outlets in metros and other large cities. This mismatch between the demand and supply of retail estate in large cities had led to an astronomical growth in the prices of real estate. This made it impossible for organized retailers to enter big cities without the backing of large real estate companies. K. Raheja's association with Shopper's Stop and Parimals with Crossroads are typical examples of the involvement/ interest of real estate players in organized retailing. The high real estate prices in north India has led to most of the new players selecting South Indian cities like Hyderabad, Bangalore, and Chennai to start their organized retail operations. According to Shopper's Stop Managing Director & CEO, B.S. Nagesh, the current lease rentals at Rs 70 per square foot per month (PSFPM)

Amounts to to seven per cent to ten per cent of the topline (sales revenue). Ideally, it should be in the range of Rs 25-40 PSFPM to work out in the region of three percent of five per cent of the topline.

Variation in sales tax rates across different Indian States is another problem faced by organized retailers. Apart from this, multiple point octroi tax and other taxes levied by states make it difficult for retailers to source merchandise from different parts of the country, this situation is expected to ease with the introduction of value added taxation method.

Labor laws

Unfriendly labor laws are another issue of concern for the retailers. Retailers require additional workforce to meet the increase IN customer in-flow in the festival season. But Indian labor laws do not allow the retailer to hire people as temporary workers for a few days.

Technological environment

Technology is one of the most important drivers of change in the retail industry. The computerization of various retail stores operations like inventory management, billing, database management and the wide spread use of bar code scanners, computers, point-of-sale terminals, management information systems etc. have brought a sea change in the way retailing is conducted in India.

Retailers are also using technology to improve the shopping environment and to provide a pleasant shopping experience to customer. Quick response computer links with suppliers are increasingly being used to reduce lead-time and overcome stock-out problems.

Competitive Environment

Though the retailing industry is in its nascent stage in India, there is severe competition among the existing players. Moreover the huge untapped potential is encouraging many players to venture into retailing. The growth of retail stores was in the categories of specialty stores, the category killers and one-stop super stores. Table 1.7 gives a list of leading retail organizations in India.

Apart from the existing competition in the organized retail sector, organized retailers are also being affected by the stiff competition posed by traditional players in the unorganized sector. The competition among retailer varies depending on the way the retail operations are carried out and which entity of the distribution channel carries out these retail operations.

Theories of Institutional Change

Retailing is a dynamic activity, which evolves from time to time to cope with competition, changing consumer demand and other environmental factors. Various studies have been carried out to understand the changes taking place in the retail industry. Some of the most accepted and well-known theories of the retail institutional changes are

- Wheel of retailing
- Dialectic process
- Retail accordion

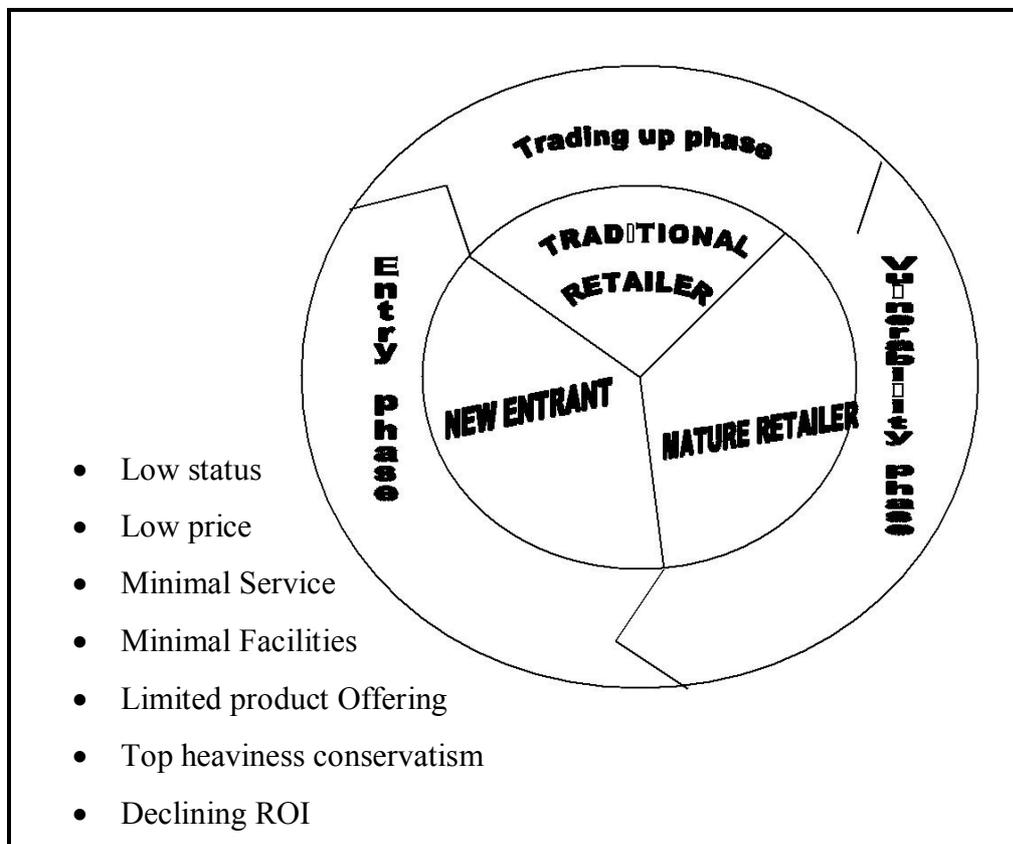
Wheel of Retailing

Malcolm. P. McNair's 'Wheel of Retailing' is one of the well accepted theories regarding institutional changes in retailing. This theory states that in a retail institution changes take place in a cyclical manner. The cycle is: the new retailer often enters the market with a low-status, low-profit-margin, low-price store formats. Later, they move to up market locations and stock premium products to differentiate themselves from imitators. Eventually, they mature as high-cost, high-price retailers, vulnerable to new retailers who come up with other novel retailing format/concept. This new retailer will, in turn, go through the same cycle of retail development. A typical Wheel of retailing as shown in Figure 2.1.

According to this theory, the above cycle can be broadly classified into three phases:

- Entry Phase
- Trading-up phase
- Vulnerability phase

Wheel of Retailing



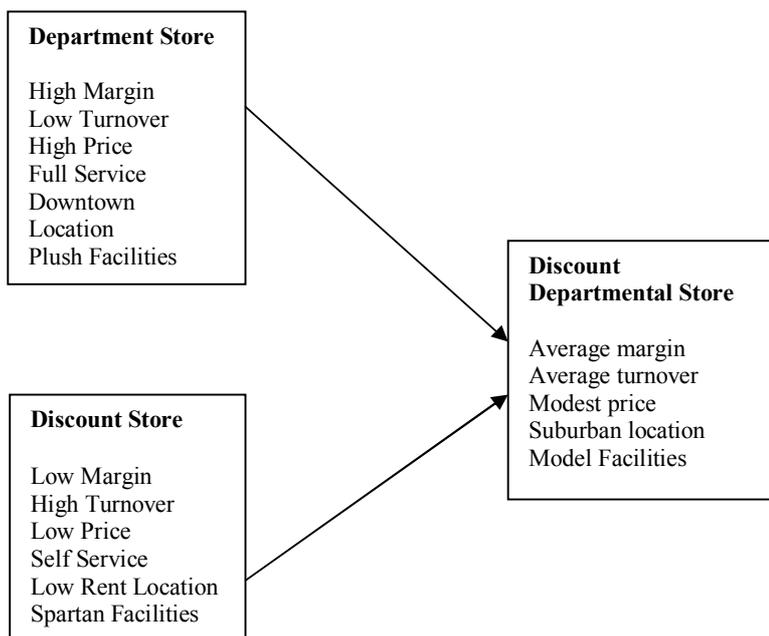
In the initial entry phase, the new, innovative retailer enters the market with a low-status and low-price store format. The new retailer starts with a small that offers goods at lower prices or goods that have high demand. As a result, the retailer would be able to attract customers from more established competitors. The retailer tries to keep costs at minimum by offering only minimal service to customers, maintaining a modest shopping atmosphere, locating the store in a low rent area, and offering a limited product mix. The success and market acceptance of the new retailer will force the established retailer to imitate the changes in retailing made by the new entrant. Thus, in turn, would force the new entrant to differentiate its products through the process of trading-up. During this period, the retailer tries to make elaborate changes in the external structure of the store through upgradation. The retailer will now reposition itself by offering maximum customer service, a posh shopping atmosphere, and relocating to a high cost area (as per the convenience of the customer). Thus, in the process of trading-up, the new entrant will mature to a higher status and higher price operation. This change will increase the cost of the retailer. In other words, we can say that in the trading-up phase, the innovative institution will metamorphose into a traditional retail institution. Finally, this stage will lead to a vulnerability phase. In this phase, the innovative store will have to deal with high cost, conservatism and fall in the return in investment. Thus, the innovative retailer matures into an established firm and becomes vulnerable to the new innovator who enters the market. The entry of the new innovator marks the end of one cycle and the beginning of anew cycle in the industry.

In India, the ‘Wheel of Retailing’ can be seen with the changes taking place in the retail formats. For example, kirana stores were replaced by chain stores like Apna Bazaar and FoodWorld (new entrant), which, in turn, faced severe competition from supermarkets and hypermarkets like BigBazaar and Giant.

Dialectic Process

Another theory explaining the changes that take place in the retail institutions is the Dialectic process or ‘melting pot’ theory. According to this theory, two institutional forms with different advantages modify their formats till they develop a format that combines the advantages of both formats.

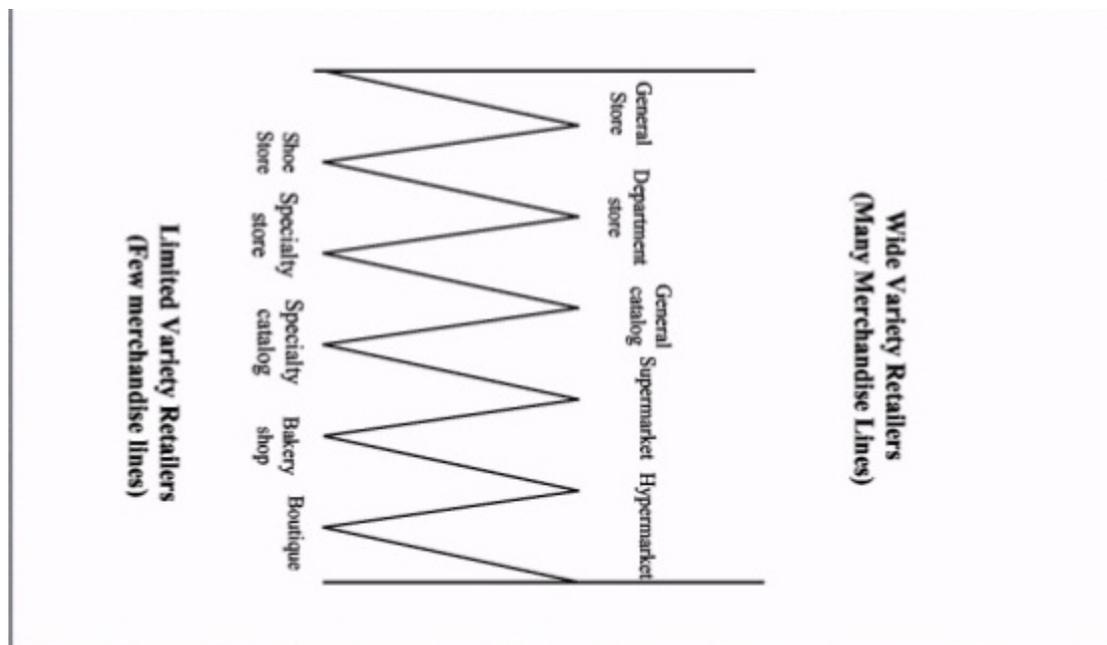
Figure 2.2 : The Dialectic Process



Retail Accordion

This theory of ‘retail institutional change’ states that institutions evolve over time from outlets offering a wide variety of merchandise to stores offering specialized products, and the eventually these stores begin to offer a wide variety of merchandise. According to this theory, the merchandise mix strategies of retailers change, while the retail prices and margins remain the same. Retail institutions can choose from a number of different strategies. These strategies range from those that offer multiple merchandise categories with a shallow assortment of goods and service to others that offer limited merchandise with a deep assortment of goods and services. The fluctuations shown in figure 2.3 resemble an accordion. Firms can choose any strategy between the two extremes. They can offer either a wide variety of goods with deep or shallow assortment. For example, a retail institution may start as a small independent store, but as sales increase, it may grow into a department store or even a supermarket or even a supermarket.

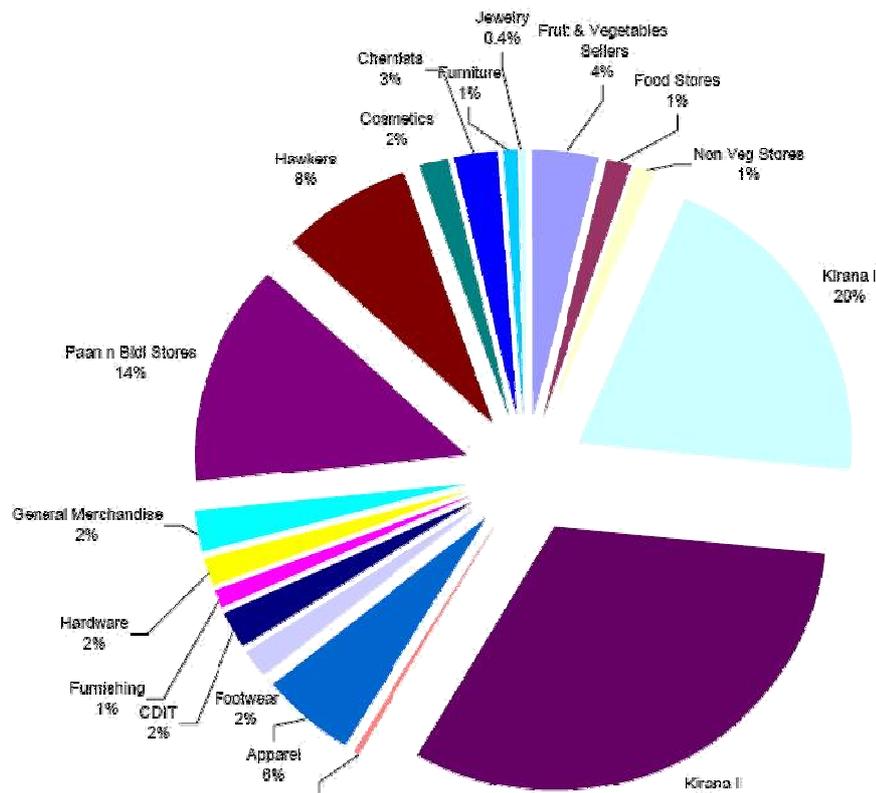
Figure 2.3 : The Retail Accordion Theory



Unorganized Retail

Mom and pop stores

The small local stores have dominated Indian retailing over the decades and are present in every village and local community, addressing the needs of the population in the area and being the point of contact with the consumer. The distribution networks of brands extend right up to this point to stay in touch with customer needs and preferences. India like most other countries has a very large network of local stores.



Categories of traditional retail segment

- Fruit and Vegetable Sellers - Sells fruit and vegetables.
- Food Store - Reseller of bakery products. Also sells dairy and processed food and beverages.
- Non -Vegetable Store - Sells chicken and mutton (supplemented by fish), or predominantly fish. Kirana I - Sells bakery products, dairy and processed food, home and personal care, and beverages.
- Kirana II - Sells categories available at a Kirana I store plus cereals, pulses, spices, and edible oils.
- Modern Independent Stores - Sells categories available at a Kirana II store and has self-service. Operates single or several stores (but not an organized chain of stores).
- Apparel – Sells men’s wear, women’s wear, innerwear, kids’ and infant wear.
- Footwear – Sells men’s wear, women’s wear, and kid’s wear.
- CDIT (Consumer Durables & IT) – Sells electronics, small appliances, durables, telecom, and IT products.
- Furnishing – Sells home linen and upholstery.
- Hardware - Sells sanitary-ware, taps and faucets, door fittings, and tiles.
- General Merchandise – Includes lighting, stationery, toys, gifts, utensils, and crockery stores.

Conventional formats in unorganized retail sector

Kiranas

These are food and non-food neighborhood counter stores, also called ‘mom and pop stores’ in western countries. These are big chunks forming the segregated and unorganized retail segment. These are family-owned and- run retail-outlets picking the goods from wholesalers totaling to around 12 million stores across India.

Mandis

These are the largest chunk of unorganized retail catering to urban and rural masses. Mandis are physically located at different regions to enhance convenient shopping. The sellers bring across various products like eatables, vegetables and fruits, pulses, cereals, spices etc. The most prominent of them are sabzi mandis found in most of the localities across India.

Village Haats

This form is operating in rural areas where buyers and sellers gather once in a week or month from nearby villages and small towns to cater their livelihood and leisure needs. These haats are a source of entertainment and socialization among rural masses.

Push Cart Vendors

The are categories of vendors roaming from door to door in various localities selling fruits, vegetables, and other eatables, from which mostly housewives makes purchases that too on credit.

ORGANIZED RETAIL

An important aspect of the current economic scenario in India is the emergence of organized retail. There has been considerable growth in organized retailing business in recent years and it is poised for much faster growth in the future.

Retail in organized sector of India (segment wise): 2006

Retail Segments	India Retail Value	Organised Retail	% Organised in
	(Rs.Crore)	(Rs.Crore)	2006
Clothing, Textiles & Fashion	113,500	21,400	18.9
Accessories			
Jewellery	60,200	1,680	2.8
Watches	3,950	1,800	45.6
Footwear	13,750	5,200	37.8
Health & Beauty care services	3,800	400	10.6
Pharmaceuticals	42,200	1,100	2.6
Consumer Durables, Home	48,100	5,000	10.4
Appliances/equipments			
Mobile handsets. Accessories & Services	21,650	1,740	8.0

Furnishings, Utensils,			
Furniture-Home & Office	40,650	3,700	9.1
Food & Grocery	743,900	5,800	0.8
Catering Services (F & B)	57,000	3,940	6.9
Books, Music & Gifts	13,300	1,680	12.6
Entertainment	38,000	1,560	4.1
Total	US\$ 270 Billion	US\$ 12.4 Billion	

CATEGORIES OF RETAIL SEGMENTS IN ORGANIZED SECTOR

Food and Grocery

This is the largest vertical of 74.4 percent of retail size comprising fruits and vegetables, milk and milk products, staples, cereals, grains, pulses, processed food, ready to cook and ready to eat meals, spices and other eatables. This is least penetrated segment across all verticals of around 1percent, being the most untapped pie.

Apparels

Clothing and textile is a large organized vertical dominated by textile manufacturers Raymond, Bombay Dyeing, Vimal, and by big retailers like Pantaloon, Pyramyd, and Koutons having around 19 percent penetration level. Increasing disposable incomes and change in the lifestyle needs has pushed the segment.

Consumer Durables

The electronics and consumer durable is the biggest organized segment penetrated to around 10 percent. There lies more unearthed growth in the verticals as the craze for electronic gadgets have been picking up with the advent of nuclear families.

Home Décor and furnishing

The demand for furnishing is going to be spearheaded by a huge demand for the real-estate, paving way to tap the unorganized segment. Presently only a few players like Gautier, Godrej, & Durian function as organized entities.

Jewellery andWatches

Titan is the early entrant in the segment followed by MNCs Oyzterbay, Tanishq, Swaroski, Orra, Gitanjali, & D'damas driven by demand for fashion accessories, and huge advertising and promotion campaigns.

Beauty Care

The organized players in Beauty Care are HUL (Lakme Salons), Marico (Kaya), Health and Glow are having a huge growth impetus.

Footwear

Leaving aside the Apparel, Footwear segment is forming a big pie in the organised retail sector, expected to grow to greater heights with foreign players like Crocs Inc.

MODERN FORMATS IN ORGANIZED RETAILING

Hypermarket

Larger than a supermarket, sometimes with a warehouse appearance, generally located in quieter parts of the city.

Cash-and-carry

These are large B2B focused retail formats, buying and selling in bulk for various commodities

Department Store

Large stores having a wide variety of products, organized into different departments such as clothing, house wares, furniture, appliances, toys, etc.

Supermarket

Extremely large self-service retail outlets

FORMATS ADOPTED BY DOMESTIC PLAYERS IN INDIA

RPG Retail

Original format : Supermarket (Foodworld)

Later formats : Hypermarket (Spencer's) Specialty Store (Health and Glow)

India bulls (earlier Parimal)

Original format : Department Store (India bull stores formerly known as Piramyd Megastore)

Later formats : Discount Store (TruMart)

Pantaloon Retail

Original format: Small format outlets (Shoppe) Department Store (Pantaloon)

Later formats : Supermarket (Food Bazaar) Hypermarket (Big Bazaar) Mall (Central)

K Raheja Group

Original format : Department Store (shopper's stop) Specialty Store (Crossword)

Later formats : Supermarket (TBA) Hypermarket (TBA)

Tata/ Trent

Original format : Department Store (Westside)

Later formats : Hypermarket (Star India Bazaar)

Landmark Group

Original format : Department Store (Lifestyle)

Later formats : Hypermarket (TBA)

Others

Discount Store (Subhiksha, Margin Free, Apna Bazaar), Supermarket (Nilgiri's)

Impact of retail on Business environment

- Unorganized retailers in the vicinity of organized retailers experienced a decline in their volume of business and profit in the initial years after the entry of large organized retailers.

- The adverse impact on sales and profit weakens over time.
- There was no evidence of a decline in overall employment in the unorganized sector as a result of the entry of organized retailers.
- There is some decline in employment in the North and West regions which, however, also weakens over time.
- The rate of closure of unorganized retail shops in gross terms is found to be 4.2 per cent per annum which is much lower than the international rate of closure of small businesses.
- The rate of closure on account of competition from organized retail is lower still at 1.7 per cent per annum.
- There is competitive response from traditional retailers through improved business practices and technology up gradation.
- A majority of unorganized retailers is keen to stay in the business and compete, while also wanting the next generation to continue likewise.
- Small retailers have been extending more credit to attract and retain customers.
- However, only 12 per cent of unorganized retailers have access to institutional credit and 37 per cent felt the need for better access to commercial bank credit.
- Most unorganized retailers are committed to remaining independent and barely 10 per cent preferred to become franchisees of organized retailers.
- Consumers have definitely gained from organized retail on multiple counts.
- Overall consumer spending has increased with the entry of the organized retail.
- While all income groups saved through organized retail purchases, the survey revealed that lower income consumers saved more. Thus, organized retail is relatively more beneficial to the less well-off consumers.
- Proximity is a major comparative advantage of unorganized outlets. Unorganized retailers have significant competitive strengths that include consumer goodwill, credit sales, and amenability to bargaining, ability to sell loose items, convenient timings, and home delivery.
- The study did not find any evidence so far of adverse impact of organized retail on intermediaries.
- There is, however, some adverse impact on turnover and profit of intermediaries dealing in products such as, fruit, vegetables, and apparel.
- Over two-thirds of the intermediaries plan to expand their businesses in response to increased business opportunities opened by the expansion of retail.
- Only 22 per cent do not want the next generation to enter the same business.
- Farmers benefit significantly from the option of direct sales to organized retailers.
- Average price realization for cauliflower farmers selling directly to organized retail is about 25 per cent higher than their proceeds from sale to regulated government mandi.
- Profit realization for farmers selling directly to organized retailers is about 60 per cent higher than that received from selling in the mandi

- The difference is even larger when the amount charged by the commission agent (usually 10 per cent of sale price) in the mandi is taken into account.
- Large manufacturers have started feeling the competitive impact of organized retail through price and payment pressures.
- Manufacturers have responded through building and reinforcing their brand strength, increasing their own retail presence, ‘adopting’ small retailers, and setting up dedicated teams to deal with modern retailers.
- Entry of organized retail is transforming the logistics industry. This will create significant positive externalities across the economy.
- Small manufacturers did not report any significant impact of organized retail.
- The emergence of organized retail gives consumers a wider choice of goods, more convenience, and a better shopping environment.
- Traditional retailers (kirana stores, street hawkers, and wetmarket stall operators) occupy an overwhelmingly large space in Indian food retail; almost 99 percent of food and grocery being sold in this country is through traditional retailers. These traditional retailers are upgrading their stores to compete with organised retailers.

Conclusion

I would like to add my point of view from the experienced I gained while making this research paper that in current scenario of India the retail sector has a very powerful impact on business environment as it affects the crucial players which are required for carrying the business successfully Eg. Customers, organized retail sector, unorganized retail sector, farmers etc.

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AN ANALYSIS OF FINANCIAL PERFORMANCE OF INDIAN PHARMACEUTICAL COMPANIES

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Abstract :

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same companies or to compare companies or sectors in aggregation. A firm's performance measurement has been the subject matter of discussion for decision makers as managers, planners, economists and academic staff since long many years. Financial analysts often assess firm's production and productivity performance, profitability performance, liquidity performance, leverage performance, asset utilisation performance and growth performance. The financial performance analysis identifies the financial strengths and weaknesses of the firm by properly establishing relationships between the items of the balance sheet and profit and loss account. In this context researcher has undertaken an analysis of financial performance of pharmaceutical companies to understand how management of finance plays a crucial role in the growth. In this paper an attempt has been made to analyse the profitability position of five leading pharmaceutical companies of India with the help of mean, standard deviation, co-efficient of variation, multiple regression, and analysis of variance. The increase in profitability will not only yield greater efficiency but also improve financial performance in future. The study is conducted by taking into account of the data for five years from 2011-2012 to 2015-2016. The Pharmaceutical companies selected for study are Lupin, Wockhardt, Glenmark, Abbott and Torrent. The financial performance of these companies are evaluated and found that the profitability of the selected pharmaceutical companies in India during the study period is satisfactory.

Keywords: *Financial Analysis, Ratio, Pharmaceutical companies, Profitability, Liquidity.*

INTRODUCTION

Financial performance is a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. There are many different ways to measure financial performance, but all measures should be taken in aggregation. Line items such as revenue from operations, operating income or cash flow from operations can be used, as well as total unit sales. Furthermore, the analyst or investor may wish to look deeper into financial statements and seek out margin growth rates or any declining debt. Financial analysts often assess the firm's production and productivity performance, profitability performance, liquidity performance, working capital performance, fixed assets performance, fund flow performance and social performance. Various types of financial analysis includes:

1. Working capital Analysis
2. Financial structure Analysis
3. Activity Analysis
4. Profitability Analysis

Financial analysts often assess firm's production and productivity performance, profitability performance, liquidity performance, working capital performance, fixed assets performance, fund flow performance and social performance. The financial performance analysis identifies the financial strengths and weaknesses of the firm by properly establishing relationships between the items of the balance sheet and profit and loss account. In this context researcher has undertaken an analysis of financial performance of pharmaceutical companies to understand how management of finance plays a crucial role in the growth.

Review of Literature

A brief review of the different researches in the field is attempted in the following paragraphs.

Ghosh and Maji (2003) attempted to examine the efficiency of working capital management of Indian cement companies during 1993 to 2002. They calculated three index values-performance index, utilization index and overall efficiency index to measure the efficiency of working capital management, instead of using working capital management ratios. By using regression analysis and companies norms as a target efficiency level of individual firms, they tested the speed of achieving target level of efficiency by individual firms during the period of study and found that some of the sample firms successfully improved efficiency during these years.

Elijelly (2004) in the study on “Liquidity – profitability trade off: An empirical investigation in an emerging market” empirically examined the relation between profitability and liquidity, as measured by current ratio and cash gap (cash conversion cycle) on a sample of joint stock companies in Saudi Arabia. The study found significant negative relation between the firm’s profitability and its liquidity level, as measured by current ratio.”

Singh and Pandey (2008) suggested that, for the successful working of any business organization, fixed and current assets play a vital role, and that the management of working capital is essential as it has a direct impact on profitability and liquidity. They studied the working capital components and found a significant impact of working capital management on profitability for Hindalco Industries Limited.

Chakraborty (2008), in the study on “Working Capital and Profitability: An Empirical Analysis of Their Relationship with Reference to Selected Companies in the Indian Pharmaceutical Industry” evaluated the relationship between working capital and profitability of Indian pharmaceutical companies. He pointed out that there were two distinct schools of thought on this issue: according to one school of thought, working capital is not a factor of improving profitability and there may be a negative relationship between them, while according to the other school of thought, investment in working capital plays a vital role to improve corporate profitability, and unless there is a minimum level of investment of working capital, output and sales cannot be maintained - in fact, the inadequacy of working capital would keep fixed asset inoperative.

Kevin and Young (2009) in their article, “Need Cash? Look Inside Your Company” had taken a hard look at the way company manages its working capital. He identified that a lot of capital tied up in receivables and inventory could be turned into cash by challenging the

working capital practices and policies of the company. He had explored six common mistakes that companies make in managing working capital. He says that the simple act of correcting them could free up enough cash to make the difference between failure and survival in the current recession.

Sherin (2010) in her article on “Liquidity v/s profitability - Striking the right balance” writes about the implications of liquidity and profitability in a pharmaceutical company. A firm is required to maintain a balance between liquidity and profitability while conducting its day to day operations. Investments in current assets are inevitable to ensure delivery of goods or services to the ultimate customers. A proper management of the same could result in the desired impact on either profitability or liquidity.

Chandrabai et al. (2011) in their paper on “Working Capital Management of Indian Electrical Equipment Manufacturers-A Comparative study” found that the companies in the electrical equipment industry have performed fairly well for financial year 2010. The sales of most of the companies have increased. The management of Working Capital is one of the most important and challenging aspect of the overall performance of the organization. Merely more effective and efficient management of working capital can ensure survival of a business enterprise. Working Capital Management is concerned with the problems that arise in attempting to manage the Current Assets, Current Liabilities and the interrelation that exists between them. This study analyses the comparative study of working capital management in Indian Electrical Equipment Industry and it is limited to the companies BHEL and ABB Ltd represent public and private sector enterprises respectively. Relevant data has been extracted from the consecutive annual reports between financial years 2005-06 to 2009-10 of both the companies

Brahma (2011) conducted a study to examine and evaluate the importance of liquidity management on profitability as a factor accountable for poor financial performance in the private sector steel Industry in India.

Nandi Chandra Kartik (2012) in his paper on “Trends in Liquidity Management and Their Impact on Profitability: A Case Study” makes an attempt to assess the trends in liquidity management and their impact on profitability. An attempt has been made to establish the linear relationship between liquidity and profitability with the help of a multiple regression model. On the basis of overall analysis, it is therefore important to state that the selected company always tries to maintain adequate amount of net working capital in relation to current liabilities so as to keep a good amount of liquidity throughout the study period.

V. Vijayalakshmi and M. Srividya (2014) in their study stated that the financial health plays a significant role in the successful management of a company. The analysis practically reveals that gross profit ratio, operating ratio, return on equity capital, and earnings per share, have significant effect on the net profit ratio of the selected pharmaceutical companies during the study period. However, profitability of the selected pharmaceutical companies in India during the study period is satisfactory. During the period of study there were a few ups and downs in the profitability but it did not affect the operations of the company to a great extent. If the Pharmaceutical Industry has to perform well, it has to invest more capital and has to do more sales, only then it will improve its performance level.

Profile of Indian Pharmaceutical Industry

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, as per a report by Equity Master. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an

important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms. The UN-backed Medicines Patent Pool has signed six sub-licences with Aurobindo, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, allowing them to make generic anti-AIDS medicine TenofovirAlafenamide (TAF) for 112 developing countries.

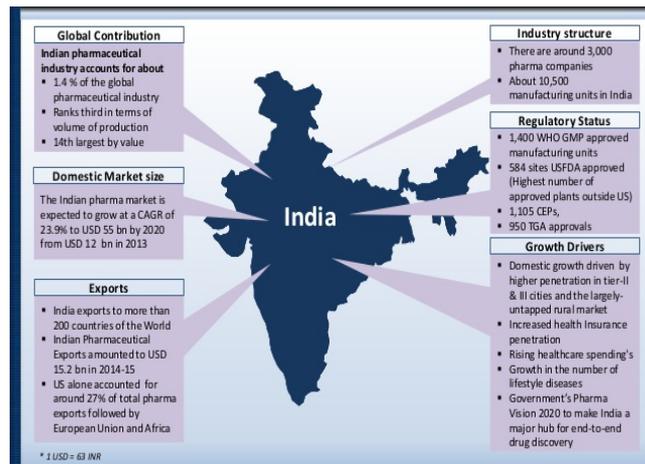
Market Size

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period!. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr Arun Singh, Indian Ambassador to the US. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 11.44 per cent to US\$ 12.91 billion in FY 2015-16, according to data from the Ministry of Commerce and Industry. In addition, Indian pharmaceutical exports are poised to grow between 8-10 per cent in FY 2016-17. Imports of pharmaceutical products rose marginally by 0.80 per cent year-on-year to US\$ 1,641.15 million.

Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014-15. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at Rs 12,600 crore (US\$ 1.89 billion).



PROFILE OF COMPANIES UNDER STUDY

Lupin Limited

Lupin Limited is a pharmaceutical company. The Company is engaged in producing, developing and marketing a range of branded and generic formulations, biotechnology products and active pharmaceutical ingredients (APIs) across the world. The Company offers products in the cardiovascular, diabetology, asthma, pediatrics, central nervous system, gastro-intestinal, anti-infectives and non-steroidal anti-inflammatory drug therapy areas. The Company also offers solutions in the anti-tuberculosis (anti-TB) and cephalosporins therapy areas. The Company along with its subsidiaries has manufacturing locations spread across India, Japan, the United States, Mexico and Brazil. It has a pipeline of biosimilars addressing therapies, such as oncology, anti-inflammatory, anti-viral, rheumatoid arthritis, endocrinology, diabetes, ophthalmology and women's health. The Company's products include Antara, Methergine, Methylphenidate, Glumetza, Gluconorm, Tonact, Rcinex and Ramistar, among others.

Wockhardt Pharmaceuticals

Wockhardt Limited is a pharmaceutical and biotechnology company. The Company's businesses include manufacture and marketing of pharmaceutical and bio-pharmaceutical formulations, active pharmaceutical ingredients (APIs) and vaccines. Its products include Ace Proxyvon, Bio-Corneum, Aceroc, Alphasopa, Biovac Typhoid, Acetic Acid Otic Solution, Amlodipine Besylate Tablets, Adenosine Injection, Amoxicillin and Clavulanate Potassium for Oral Suspension, Azithromycin Tablets, Aciclovir Powder for Injection, Alendronic Acid, Amitriptyline, Clarithromycin, Entacapone Tablet and Flucloxacillin Injection. It operates a chain of approximately 10 super specialty hospitals, which offer treatment and care facilities in cardiology, neurosurgery, orthopedics, critical care, oncology, nephrology, urology and others. It has over 10 manufacturing plants located in India, the United Kingdom, Ireland and the United States. The Company has approximately three research centers globally.

Abbott Pharmaceuticals

Abbott India Limited is a healthcare company engaged in pharmaceuticals business. The Company has a portfolio of science-based offerings in diagnostics, medical devices, nutritionals and branded generic pharmaceuticals. Its business operations are divided into four business divisions: Women's Health & Gastrointestine, Gastroenterology and Hepatic Care; Specialty Care; GenNext & Vaccines, and Consumer Care. Women's Health & Gastrointestine, Gastroenterology and Hepatic Care division has a mix of global and local brands present in the pregnancy, constipation and liver diseases segments. The Specialty Care

division consists of a range of products in the treatment of central nervous system and metabolic disorders. The GenNext division focuses on several therapy areas, including pain management, vitamins and pregnancy. Its vaccines include Enteroshield (typhoid vaccine) and Rotasure (rotavirus diarrhea vaccine). The Consumer Care division is present in the over the counter antacid segment.

Glenmark

Glenmark Pharmaceuticals Limited is a global pharmaceutical company. The Company is engaged in the development of new chemical entities (NCEs) and new biological entities (NBEs). Its segments are India, United States, Latin America, Europe and Rest of the World (ROW). It has approximately seven molecules, over two NCEs and approximately five NBEs in various stages of pre-clinical and clinical development. It is focused on developing and marketing branded and generic formulations. It focuses on manufacturing products across therapeutic areas of dermatology, respiratory and oncology. Its active pharmaceutical ingredients (API) business spans over 80 countries, including regulated markets of the United States, Europe, Japan and Canada. Its products are primarily marketed in the United States and Western Europe. It has offices in over 40 countries, and operates approximately 20 manufacturing facilities in over five countries. It operates over five research and development (R&D) centers.

Torrent Pharmaceuticals

Torrent Pharmaceuticals Limited is engaged in the manufacture and sale of branded, as well as unbranded generic pharmaceutical products. The Company operates in the therapeutic areas of cardiovascular (CV), central nervous system (CNS), gastrointestinal, diabetology, anti-infective, anti-diabetics and pain management segments. The Company offers products in various categories, including tablets, capsule and parenteral. Its geographical segments include India and outside India. It manufactures various active pharmaceutical ingredients (APIs), such as Nicorandil, Risperidone, Venlafaxine Hydrochloride, Ropinarole Hydrochloride, Duloxetine Hydrochloride, Ormeloxifen Hydrochloride, Nebivolol Hydrochloride, Lamotrigine and Sertraline Hydrochloride. The Company's subsidiaries include Heumann Pharma GmbH & Co., Torrent Pharma GmbH, Heunet Pharma GmbH, Norispharm GmbH, Torrent Pharma (Thailand) Co. Ltd., Torrent Pharma S.R.L., Aptil Pharma Limited and Laboratories Torrent Malaysia Sdn. Bhd.

STATEMENT OF THE PROBLEM

The development of industries depends on several factors such as finance, personnel, technology, quality of the product and marketing. Out of these, financial and operating aspects assume a significant role in determining the growth of industries. All of the company's operations virtually affect its need for cash. Most of the data covering operational areas are however outside the direct responsibility of the financial executive. Unless the top management appreciates the value of a good financial and operating analysis, there will be continuing problems for the financial executives to find the profitability position of the concern.

In this context the researcher is interested in undertaking an analysis of the financial performance of Pharmaceutical Companies. Hence, the present study entitled "An analysis of financial performance of Indian pharmaceutical companies" has been undertaken.

OBJECTIVES OF THE STUDY

The following are the specific objectives of the study.

1. To analyse the profitability position of selected Pharmaceutical Companies in India.

2. To analyse the factors influencing the profitability of selected Pharmaceutical Companies in India.
3. To offer findings and suggestions and conclusion of this study.

SCOPE OF THE STUDY

The present study aims at assessing the profitability position of selected Pharmaceutical companies in India. The study could help the company as well as the investors to understand its financial efficiency. It aims to help the management to find out its financial problems at present and the specific areas in the business, which might need some effort for more effective and efficient utilization of its resources. The study is conducted for a period of five years for selected companies.

SOURCES OF DATA

Secondary data is used for the study. The required data for the study is collected and compiled from **www.moneycontrol.com** for the period from 2011-2012 to 2015-2016 which is a reliable and empowered corporate database. In addition to this, supportive data is collected from books, journals, annual reports and various news-papers.

TECHNIQUES OF ANALYSIS

Ratio analysis is a technique adopted to analysis and interpret general financial statements to assess the profitability position. Further a comprehensive analysis is carried by applying statistical techniques namely mean, standard deviation, co-efficient of variance, multiple regression analysis and analysis of variance.

SAMPLE DESIGN

As the complete source list of all the Pharmaceutical Companies is not available, the data for this study is selected based on convenience sampling method. Among the companies listed with major stock exchange of India namely, Bombay Stock Exchange and National Stock Exchange of India, 5 companies with consistent financial data are selected. Certain companies are excluded owing to irregular and/or inconsistent financial data support. The following are the selected Pharmaceutical companies of this study.

1. Lupin
2. Glenmark
3. Wockhardt
4. Abbott
5. Torrent

PERIOD OF THE STUDY

The study covers a period of five years from the financial year 2011-2012 to 2015-2016.

LIMITATIONS

We would like to make it clear that, mainly there are three limitations of this study, which are as under:

- The study is confined to five years data only, i. e. from 2011–2012 to 2015-2016, therefore, a detailed analysis covering a lengthy period, which may give slightly different results has not been made.
- The study is based on secondary data collected from the website **www.moneycontrol.com** and the websites of sample companies; therefore the quality

of the study depends purely upon the accuracy, reliability and quality of the secondary data source. Approximation, and relative measures with respect to the data source might impact the results.

- The study is based on five companies of the Pharmaceutical Industry in India that are also drawn from the companies listed in BSE. Therefore, the accuracy of results is purely based on the data of sample units. If one takes more sample units the results may go slightly differently.

ANALYSIS OF PROFITABILITY

The profitability of the selected companies are measured with the help of the following ratios, and the results are interpreted:

- ❖ Gross Profit Ratio
- ❖ Net Profit Ratio
- ❖ Operating Profit Ratio
- ❖ Return on Equity
- ❖ Earnings Per Share

Table 1 shows the gross profit ratios of Pharmaceutical Companies in India during the period from 2011-2012 to 2015-2016

Table 1

Gross Profit Ratio (Rs. in crores)

Company Name	Mean	S.D	C.V
Lupin	73.8256	3.09429	4.191
Abott	86.0372	0.836767	2.586
Glenmark	73.4242	6.17525	8.410
Torrent	70.2570	4.84057	6.889
Wockhardt	63.6988	6.70756	10.530

• Source : Compiled and Calculated from the data published in www.moneycontrol.com

- Table 1 reveals the gross profit ratio of selected Pharmaceutical Companies in India from 2011-2012 to 2015-2016. This gross profit ratio shows a fluctuating trend during the study period. It implies the high cost of goods sold due to unfavourable purchasing policies and lesser sales. The Abott Ltd has the highest average gross profit ratio of 86.0372 per cent and the Wockhardt Ltd has the lowest average gross profit ratio 63.6988 per cent.
- The Wockhardt Ltd has the highest standard deviation of gross profit ratio of 6.70756 per cent. The Abott Ltd with lowest standard deviation of gross profit ratio of 0.836767 per cent and it is found to be stable in gross profit ratio.
- Table 2 shows the Net profit ratios of Pharmaceutical Companies in India during the period from 2011-2012 to 2015-2016.

Table 2
Net Profit Ratio (Rs. in crores)

Company Name	Mean	S.D	C.V
Lupin	21.752	5.08858	23.39
Abott	9.064	0.83676	9.2317
Glenmark	19.884	2.58427	12.996
Torrent	21.56	6.70918	31.11
Wockardt	12.484	9.2067	73.74

Source: Compiled and Calculated from the data published in www.moneycontrol.com

- Table 2 reveals the net profit ratio of selected Pharmaceutical Companies in India from 2011-2012 to 2015-2016. The net profit ratio shows the fluctuating trend during the study period. This fluctuation indicates the firm's capacity to face adverse economic condition such as price competition, low demand etc. The Glenmark Pharma Ltd has the highest average net profit ratio of 21.756 per cent and the Abott has the lowest average net profit ratio of 9.064 per cent.
- The Wockardt pharmaceutical Ltd has the highest standard deviation of net profit ratio of 9.206716 per cent. The Abott Ltd with lowest standard deviation of net profit ratio of 0.836767 per cent and it is found to be stable in net profit ratio.
- The Wockardt Pharmaceuticals Ltd has the highest co-efficient variance of net profit ratio of 73.74 per cent. The Abott Pharma Ltd has the lowest co-efficient variance of net profit ratio of 9.2317 per cent.

Table 3
Operating Profit Ratio (Rs. in crores)

Company Name	Mean	S.D	C.V
Lupin	5.638	2.146280	38.068
Abott	2.618	1.006121	39.669
Glenmark	5.638	1.326039	25.229
Torrent	3.43	1.464394	42.693
Wockardt	5.988	3.732850	62.338

Source: Compiled and Calculated from the data published in www.moneycontrol.com

- Table 3 reveals the operating profit ratio of selected Pharmaceutical Companies in India from 2011-2012 to 2015-2016. The operating profit ratio shows a fluctuating trend during the study period. This fluctuation implies inability to keep operating expenses properly controlled for level of sales achieved. The Wockardt has the highest average operating profit ratio of 5.988 per cent and Torrent Pharma Ltd has the lowest average operating profit ratio of 3.43 per cent.

- The Wockhardt Ltd has the highest standard deviation of operating profit ratio of 3.732850 per cent. The Abott has the lowest standard deviation of operating profit ratio of 1.006121 per cent and it is found to be stable in operating profit ratio.
- The Wockhardt Pharma Ltd has the highest co-efficient variance of operating profit ratio of 62.338 per cent. The Glenmark has the lowest co-efficient variance of operating profit ratio of 25.229 per cent and it is found that there is a consistency in operating profit ratio than the other Pharmaceutical Companies.

Table 4 shows the return on equity capital profit ratios of Pharmaceutical Companies in India during the period from 2011-2012 to 2015-2016.

Table 4

Return on equity capital profit ratio (Rs. in crores)

Company Name	Mean	S.D	C.V
Lupin	26.452	4.295529	16.238
Abott	23.502	1.311266	5.579
Glenmark	16.568	3.573453	21.568
Torrent	32.218	10.001085	31.041
Wockhardt	56.862	60.142904	105.7699

• **Source:** Compiled and Calculated from the data published in www.moneycontrol.com

- Table 4 reveals the return on equity capital ratio of selected Pharmaceutical Companies in India from 2011-2012 to 2015-2016. The return on equity capital ratio shows fluctuating trend during the study period. This fluctuation indicates profit earned by the company and those profits which can be made non-available to pay dividends to equity shareholders. The Wockhardt Pharma Ltd has the highest average return on equity capital ratio of 56.862 per cent and Glenmark has the lowest average return on equity capital ratio of 16.568 per cent.
- The Wockhardt Ltd has the highest standard deviation of return on equity capital ratio of 60.142904 per cent. The Abott has the lowest standard deviation of return on equity capital ratio of 1.3112665 per cent and it is found to be stable in equity capital ratio.
- The Wockhardt Ltd has the highest co-efficient variance of return on equity capital ratio of 105.769 per cent. Abott has the negative co-efficient variance of return on equity capital ratio of 5.579 per cent and it is found that there is a consistency in equity capital ratio than the other Pharmaceutical Companies.
- Table 5 shows the earnings per share profit ratios of Pharmaceutical Companies in India during the period from 2011-2012 to 2015-2016.

Table 5
Earnings Per Share (Rs. in crores)

Company Name	Mean	S.D	C.V
Lupin	50.116	13.215344	26.3695
Abott	89.618	27.168618	30.316
Glenmark	25.906	18.138462	70.016
Torrent	57.49	28.4700003	49.521
Wockhardt	24.986	20.26739	81.114

Source: Compiled and Calculated from the data published in www.moneycontrol.com

- Table 5 reveals the earnings per share ratio of selected Pharmaceutical Companies in India from 2011-2012 to 2015-2016. The earnings per share ratio show a fluctuating trend during the study period. This fluctuation indicates whether or not the earning power of the company has decreased. The Abott Pharma Ltd has the highest average earnings per share is 89.618 per cent and Glenmark has the lowest average earnings per share is 25.906per cent.
- The Torrent Ltd has the highest standard deviation of earnings per share ratio of 28.470003 per cent. The Lupin has the lowest standard deviation of earnings per share ratio of 13.215344 per cent and it is found to be stable in earnings per share ratio.
- The Wockhardt Ltd has the highest co-efficient of earnings per share ratio of 81.114 per cent. The Lupin has the lowest co-efficient variance of earnings per share ratio of 26.3695 per cent and it is found that there is a consistency in earnings per share ratio than the other Pharmaceutical Companies.

MULTIPLE REGRESION ANALYSIS

Table. 6 shows the Multiple Regression Analysis of Pharmaceutical Companies in India during the period of 2011-2012 to 2015-2016.

Table 6

Multiple Regression Analysis of Pharmaceutical Companies in India

Company Name	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Lupin	1	.934468	.87323	.49292	3.62356
Abott	1	.954716	.911482	.64593	.497909
Wockhardt	1	.983637	.967541	.870163	3.317444
Glenmark	1	.960596	.922745	.69098	1.436587
Torrent	1	.999616	.999232	.996929	.3717971

Table. 6 represents the multiple regression analysis of Pharmaceutical Companies in India statistical significance of the model. The R^2 value are states that all the four independent variables that is gross profit ratio, operating profit ratio and return on equity capital ratio have influence on the dependent variable of net profit ratio.

The Lupin Ltd statistical significance of the model. The R^2 value at .87323 states that the three independent variables that is gross profit ratio, operating profit ratio, and return on equity capital have 87.32 per cent influence on the dependent variable of net profit ratio which is significant at 5 per cent level.

The Glenmark Ltd statistical significance of the model. The R^2 value at .922745 states that the three independent variables that is gross profit ratio, operating profit ratio, and return on equity capital have 92.27 per cent influence on the dependent variable of net profit ratio which is significant at 5 per cent level.

The Abott Ltd statistical significance of the model .The R^2 value at .911482 states that the three independent variables that is gross profit ratio, operating profit ratio, and return on equity capital have 91.14 per cent influence on the dependent variable of net profit ratio which is significant at 5 per cent level.

The Wochkardt statistical significance of the model .The R^2 value at .967541 states that the three independent variables that is gross profit ratio, operating profit ratio, and return on equity capital have 96.75 per cent influence on the dependent variable of net profit ratio which is significant at 5 per cent level.

The Torrent Ltd statistical significance of the model. The R^2 value at .999232 states that the three independent variables that is gross profit ratio, operating profit ratio, and return on equity capital have 99.92 per cent influence on the dependent variable of net profit ratio which is significant at 5 per cent level.

ONE-WAY ANOVA

Table 7 exhibits the One Way ANOVA of the Lupin Ltd during the study period from 2011-2012 to 2015-2016.

Table 7

One Way ANOVA of the Lupin Ltd

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	14,225.379	4	3,556.345	76.261	.000
Within- Groups	932.682	20	46.634		
Total	15,158.061	24			

Table 7 shows the one way ANOVA of the Lupin Ltd calculated F value of the variables such as 76.261 which are more than the table value of 2.866 at 5 per cent significant level. So there is significant relationship between profitability ratios.

Table 8 exhibits the one way ANOVA of the Glenmark Ltd during the study period from 2012 to 2016.

Table 8
One Way ANOVA of the Glenmark Ltd

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13,906.884	4	3,476.721	44.764	.000
Within Groups	1,553.366	20	77.668		
Total	15,460.251	24			

Table 8 shows the one way ANOVA of the Glenmark Ltd calculated F value of the variables such as 44.764 which are more than the table value of 2.866 at 5 per cent significant level. So there is significant relationship between profitability ratios.

Table 9 exhibits the one way ANOVA of the Abott Ltd during the study period from 2011-2012 to 2015-2016

Table 9
One Way ANOVA of the Abott Ltd

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	35,922.530	4	8,980.633	60.145	.000
Within Groups	2,986.337	20	149.317		
Total	38,908.867	24			

Table 9 shows the one way ANOVA of the Abott Ltd calculated F value of the variables such as 60.145 which are more than the table value of 2.866 at 5 per cent significant level. So there is significant relationship between profitability ratios.

Table 10 exhibits the one way ANOVA of the Torrent Ltd during the study period from 2011-2012 to 2015-2016.

Table 10
One Way ANOVA of the Torrent Ltd

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	29,995.917	4	7,498.979	50.222	.000
Within Groups	2,986.337	20	149.317		
Total	32,982.254	24			

Table 10 shows the one way ANOVA of the Abott Ltd calculated F value of the variables such as 50.222 which are more than the table value of 2.866 at 5 per cent significant level. So there is significant relationship between profitability ratios.

Table 11 exhibits the one way ANOVA of the Wochkardt Ltd during the study period from 2011-2012 to 2015-2016

Table 11
One Way ANOVA of the Wochkardt Ltd

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13,631.987	4	3,407.997	2.310	0.093
Within Groups	29,512.104	20	1,475.605		
Total	43,144.091	24			

Table 11 shows the one way ANOVA of the Wochkardt Ltd calculated F value of the variables such as 2.310 which are more than the table value of 2.866 at 5 per cent significant level. So, the null hypothesis is accepted.

CONCLUSION

Financial management has great importance in making management decisions. The financial soundness of a company can be achieved maintaining liquidity and profitability of the company. The purpose of this study was to measure the profitability of the selected pharmaceutical companies. The analysis practically reveals that gross profit ratio, operating ratio, return on equity capital, and earnings per share, have significant effect on the net profit ratio of the selected pharmaceutical companies during the study period. However, profitability of the selected pharmaceutical companies in India during the study period is satisfactory. During the period of study there were a few ups and downs in the profitability but it did not affect the operations of the company to a great extent. If the Pharmaceutical Companies has to perform well, it has to invest more capital and has to do more sales, only then it will improve its performance level. The importance of analysing performance ratios, to make comparisons with the companies from the same field of activity, to detect new tendencies and to make profitable changes require the use of advanced specific tools for multidimensional analysis, equipment's performance, qualified personal for interpreting the analysis and the strengths to take important decisions for the prosperity of the company.

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OCCUPATIONAL STRESS AND PSYCHOLOGICAL WELL-BEING: A CORRELATIONAL STUDY

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ABSTRACT :

39 IT personnel (all engineers) were administered Occupational Stress Index by Shrivastava and Singh, and Psychological Well-Being Scale by Carol Ryff. The study was aimed to measure strength of associations between occupational stress and psychological well-being. It was hypothesized that occupational stress and psychological well-being are negatively and strongly related to each other. Product moment correlations were computed. Factor of stressful working conditions was the effective factor in occupational stress. Results failed to support the assumptions. Most correlation coefficients were non-significant, and a good number of them were negligible.

INTRODUCTION

Stress is an adaptive response to an external situation that results in physical, psychological and/or behavioural deviations for organizational participants (Luthans, 1998). Stress can be positive or negative. Positive stress or ‘eustress’, is important for motivating people into action. Distress, the negative stress, on the other hand, causes physiological as well as psychological problems to the individual, and in extreme cases, even to others around the individual. Manifestation of negative stress can lead social, psychological, organizational and emotional problems.

There are multiple sources of work stress. Organizational factors such as task demands, peer pressure, role overload, role conflict etc. cause stress, which results in low performance, increased turnover, absenteeism, violence at workplace etc. It also affects the mental health of the individual which may result in psychological problems at workplace and in the family as well.

Psychological well-being is a dynamic concept that includes subjective, social and psychological dimensions as well as health related behaviours. Psychological well-being has multiple facets, which include self acceptance, quality of relations with others, a sense of autonomy in thought and action, ability to manage and adapt to environments, the pursuit of meaningful goals and a sense of purpose in life, and continued growth and development of a person.

Stress is a major factor that affects psychological well-being of an individual. High levels of stress lead to palpitation, elevated blood pressure, cardiovascular diseases, and headaches etc. all of which lead to reduction in psychological well-being. Stressful feelings and emotions can range from being in a bad mood, feeling anxious, worried and upset to feeling angry, scornful, bitter or hostile. Any or all of these feelings will detract from employees’ well-being (Watson & Tellegen; 1985).

Nature of stress or occupational stress and psychological well-being seem to be associated to each other. However, the relationship is most likely to be negative. Even the sub-factors are likely to be associated with each other negatively. In earlier studies, with some exemptions, most relationships were negative.

In the present study, an attempt has been made to measure the strength of association between occupational stress and psychological well-being.

Boey et al. (1997) used Nursing Stress Inventory and GHQ-12 for measuring work stress and psychological well-being among nurses. Eight areas of work stress were negatively related to psychological well being. Malek, Mearns and Flin (2010) measured occupational stress, coping response, psychological well-being and job satisfaction among UK and Malaysian fire fighters. Occupational stress was negatively related to psychological well-being and job satisfaction. Yunus, Mahajaar and Idris (2011) measured occupational stress and psychological well-being among 329 government officers of Malaysia. Occupational stress was positively correlated with psychological well-being. Clemente et al. (2016), on the other hand found a negative relationship between stress and psychological well-being.

Aim of study

Main aim of the study was to measure the relationship between occupational stress and psychological well being. Also, the study intended to examine the strength of associations between the sub-factors of occupational stress and psychological well-being.

Hypotheses

- Occupational stress and psychological well-being are negatively and significantly related to each other.
- Strength of associations between twelve factors of occupational stress index and six factors of psychological well-being are negative and significant.

Sample

Sample of the study was selected from an IT company, in Nagpur area. The total sample consisted of 39 subjects. Though the educational background of the subjects differed, they were engaged in similar type of activities and working in similar environment.

Tools used for data collection

- **Occupational Stress Index**

This scale, constructed by A. K. Shrivastava & A. P. Singh, consists of 46 items, each item is provided with 5 alternative responses. Out of 46 items, 28 are ‘true-keyed’ and 18 are ‘false-keyed’. The reliability index ascertained by split half (odd-even) method and Cronbach’s alpha coefficient for the scale were found to be .93 and .90 respectively.

- **Ryff’s Psychological Well-Being Scale**

This scale was constructed and standardized by Carol D. Ryff. There are 42 statements; each statement is associated with 6 different responses. The scale measures six different factors namely Autonomy, Environmental Mastery, Personal Growth Positive Relations, Purpose in Life and Self Acceptance.

Procedure of data collection

The data were collected from Nagpur area. The subjects were approached individually. Rapport was established and copies of the Scales were given to the Ss. The subjects were provided with some important information regarding this research and were requested to give the answers genuinely. They were told to read the instructions carefully and mark the response that is most appropriate according to them.

Results and Discussion

Means and standard deviations obtained on different factors of Psychological Well-Being and Occupational Stress Index are displayed in Table No. 1. Careful examination of the means and standard deviations show that distribution of scores in all the factors of Psychological Well-Being and Occupational Stress Index are more or less normal. Assuming that the relationship is linear, the data were treated by Product Moment Correlation. The correlational coefficients are displayed in Table No. 2. It was believed that the relationships were all negative and significant from the table of coefficients. It is clear that the last three factors of Occupational Stress Index were closely associated to the varied factors of Psychological Well-Being.

Table No. 1 showing the means and SDs obtained on Occupational Stress Index and Psychological Well-Being

Occupational Stress	Mean	SD	Psychological Well-Being	Mean	SD
Role Overload	19.1	3.49	Autonomy	29.44	6.38
Role Ambiguity	12.49	3.59	Env. Mastery	26.77	3.16
Role Conflict	15.9	2.33	Personal Growth	27.82	5.48
Unreasonable Group and Political Pressure	12.46	2.65	Positive Relations	27.85	4.08
Responsibility for Persons	9.64	2.74	Purpose in Life	27.26	5.03
Underparticipation	12.1	3.08	Self- Acceptance	29.21	4.42
Powerlessness	8.64	2.32			
Poor Peer Relations	11.21	2.74			
Intrinsic Impoverishment	12.05	2.97			
Low Status	8.9	2.06			
Stressful Working Conditions	11.95	2.34			
Unprofitability	6.38	1.76			
TOTAL (Scale)	140.82	13.68	TOTAL(Scale)	168.33	23.66

Table No. 2 Correlation coefficients between factors of Occupational Stress Index and Psychological Well-Being

	Autonomy	Environmental Mastery	Personal Growth	Positive Relations	Purpose in Life	Self Acceptance	Total
Role Overload	0.09	0.13	-0.02	-0.14	0.01	-0.14	
Role Ambiguity	0.14	-0.12	-0.19	-0.29	-0.23	-0.33*	
Role Conflict	0.29	0.11	0.02	-0.10	0.03	-0.19	
Unreasonable Group & Political Pressure	0.27	0.20	0.14	0.16	0.01	0.00	
Responsibility for Persons	0.05	-0.07	-0.01	0.10	0.11	-0.02	
Underparticipation	0.13	0.12	0.12	-0.01	-0.07	-0.04	
Powerlessness	0.17	0.28	0.18	0.24	0.14	0.19	
Poor Peer Relations	-0.27	-0.20	-0.23	-0.20	-0.27	-0.40*	
Intrinsic Impoverishment	0.18	0.07	-0.03	0.03	-0.09	-0.14	
Low Status	-0.10	0.05	-0.07	-0.07	-0.13	-0.03	
Stressful Working Conditions	-0.19	-0.40*	-0.36*	-0.39*	-0.34*	-0.42**	
Unprofitability	-0.35*	0.34	0.13	0.17	0.04	0.15	
Total							-0.07

* Significant at .05 level** Significant at .01 level

This is a correlational study, so every factor or sub-factor is independent, hence the means cannot be compared. However, just to see that none of the factors is skewed, examination of means and standard deviations is necessary. From the table of correlation coefficients it is clear that not all the relations are negative. Secondly, there are many relationships that are non-significant. For example, relationship between role overload and six factors of psychological well-being are non-significant. Likewise, all the six factors of psychological well-being had shown non-significant relationships with several factors of occupational stress index; these factors are role conflict, unreasonable group and political Pressure, Responsibility for Persons, Underparticipation, Powerlessness, Intrinsic Impoverishment and Low Status.

Role Ambiguity was negatively related to most of the factors of Psychological Well-Being; but Autonomy and Role Ambiguity were positively related. However the correlation

coefficient was non-significant ($r = .14$, $df=37$, $p>0.05$). In line with the assumptions of the study, Self Acceptance and Role Ambiguity were negatively and significantly related ($r = -.33$, $df=37$, $p<0.05$).

Poor Peer Relations and all the six factors of Psychological Well-Being had shown negative relationships. Except one, the other five correlations were non-significant, but the strength of associations shown by them was low but definite; not a single relationship was negligible. Supporting the hypothesis, correlation coefficient between Poor Peer Relations and Self Acceptance was negative and significant ($r = -.40$, $df=37$, $p<0.05$)

Among the several factors of Occupational Stress Index, the most effective factor was Stressful Working Conditions. It was negatively related to all the six factors of Psychological Well-Being, and most of the relationships were significant. Self Acceptance and Stressful Working Conditions had shown negative and moderate relationship ($r = -.40$, $df=37$, $p<0.01$); Autonomy and Stressful Working Conditions had shown negative and non-significant strength of association ($r = -.19$, $df=37$, $p>0.05$). The remaining relationships were negative and significant at 0.05 level.

Results of the study on the whole could not support the hypotheses of the study. When the correlation coefficient between total score on Occupational Stress Index and Psychological Well-Being was computed, negative but negligible relationship was found ($r = -.07$, $df=37$, $p>0.05$). In fact, the correlation tells us that Occupational Stress and Psychological Well-Being are not related.

CONCLUSIONS

Stressful working conditions was the most effective factor in occupational stress, which was moderately associated to the factors of psychological well-being. Occupational Stress and Psychological Well-Being are unrelated to each other.

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LIQUIDITY AND PROFITABILITY TRADE-OFF: AN ANALYSIS OF SELECTED PHARMACEUTICAL COMPANIES

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Abstract

Liquidity plays an important role in the successful functioning of every business firm. The critical part in managing working capital is maintaining its liquidity in day-to-day operation to ensure its smooth running and to meet its obligations. Hence, it is of utmost importance to keep a constant eye on liquidity position of the company as without it the company cannot survive. But efforts to increase the profitability would tend to reduce firms' liquidity and too much attention on liquidity would tend to affect the profitability. No doubt, every firm tries to maximize the profitability by preserving the liquidity. However, increasing profits at the cost of liquidity might cause serious trouble to the firm and this problem might lead to financial insolvency as well. Thus an effective WCM would be needed to strike a balance between the two core objectives of the firm. It is essential that the firm's liquidity should be properly balanced. Because, excessive liquidity on one hand indicates the accumulation of idle funds that don't fetch any profits for the firm and on the other hand, insufficient liquidity might damage the firm's goodwill, deteriorate firm's credit standings and that might lead to forced liquidation of firm's assets. Hence a trade-off need to be maintained between liquidity and profitability. This paper attempts to study the association of liquidity and profitability for a period of five years' time spanning from 2012-2016 for five selected pharmaceutical companies. The result shows that among the five selected pharmaceutical companies, i.e. Ajanta Pharma, Biocon Ltd, Torrent Pharma, Ipca labs and Lyka labs., liquidity position of Biocon is best when it comes to liquidity analysis as per the Motal's Test. The techniques of Motaal's ultimate rank test have been applied to analyze the data. For the purpose of investigation, purely secondary data is used. Our study reveals that Biocon is at rank - 1 indicating that it is most liquid company among the five companies. But when the relationship between liquidity and profitability of the companies are analyzed, the results were same with the theoretical views i.e. both are negatively correlated. But there are instances like Wal-Mart, which is able to generate profit and maximise shareholder's wealth with negative working capital, i.e. an example of forgoing liquidity for the sake of maximizing profit, can we say that the company is in the verge of bankruptcy or is it a sign of managerial efficiency?

Keywords: *Pharmaceutical Companies, Working Capital, Motaal's Ultimate Rank, Liquidity, Profitability*

JEL Classification: G30, G32

Introduction

It is often observed that whenever the financial analysis of a company is done, more emphasis is given on the profitability of the business rather than on its liquidity. Of course, this is quite obvious, as the most important financial objective of any business is to earn profit. So, the managers lay more emphasis towards profitability. But another significant

variable is liquidity which means the ability of a company to honor short term financial obligations. The relationship between working capital and the profitability has been an interesting debate in financial management. Theoretically working capital decision affects both liquidity and profitability. Excess of Investment in working capital may result in low profitability and lower investment may result in poor liquidity. Management need to trade-off between liquidity and profitability to maximize shareholders wealth. Every organization whether, profit oriented or not, irrespective of size and nature of business, requires necessary amount of working capital. Working capital is the most crucial factor for maintaining liquidity, survival, solvency and profitability of business. Holding liquidity position in a firm is essential for a firm. Liquidity ratio endeavors to explicate the short term financial position of the company. It helps to assess whether the company is competent to meet its current debt out of current assets. Therefore, liquidity ratios are also known as short term solvency ratios. But no indication of effectiveness of management of cash resources can be revealed from these ratios. The liquidity ratios are a result of dividing cash and other liquid assets by the short term borrowings and current liabilities. Liquidity ratios include two ratios; one is current ratio and second is quick ratio or acid test ratio. Short term creditors of the firm are primarily interested in the liquidity ratio of the firm as they want to know how promptly the firm can meet its current liabilities. Different analysts consider different assets to be relevant in calculating liquidity. A study of liquidity is of major importance to both the internal and the external analysts because of its close relationship with day-to-day operations of a business.

Even though firms traditionally are focused on long term capital budgeting and capital structure, the recent trend is that many companies across different industries focus on working capital management efficiency. When there is a poor management of working capital, funds may be unnecessarily tied up in idle assets. This will reduce liquidity of the company and also the company will not be in a position to invest in productive assets like plant and machinery. It will also affect profitability of the company. The existence of an adequate liquidity and its careful management can make substantial difference between the success and failure of an enterprise.

Normally, when we analyze working capital, it always refers to normal or positive working capital (excess of current assets over current liabilities). However, there are certain situations in which working capital is in negative form (excess of current liabilities over current assets). Now the question arises how can a company manage liquidity with the negative working capital? Earlier negative working capital was considered as a risk of insolvency of the organizations but at present, negative working capital is a sign of managerial efficiency in a business. Earlier it was considered that the companies should avoid under-investment in working capital if they wanted higher profits margins. In the present scenario some companies are using negative working capital and getting a good amount of profits and good return on capital also. Negative working capital indicates lower cost of working capital (another way is higher profitability), but at the same time, it indicates poor liquidity (worried situation for the creditors, etc.) or we can say that company is overburdened with current liabilities, which is not good for any situation (especially in a period of recession, etc.).

But negative Working capital doesn't always mean bad financial condition; it indicates that most of the day to day activities are funded by customers rather than company's own working capital. Some latest examples are movie theaters - customers are paying first and distributors are normally paid later on; Schools/ educational institutions- fees paid in advance by the students annually, whereas faculties are getting salary after one month. When an organization uses supplier's credit and customers' advance to fulfill their day to day needs,

it leads to a situation of lower or negative working capital. Banks, financial institutions, distributors, retailers with cash business or advance payment contract have negative working capital. Usually, it was observed that, if a firm wants to take a bigger risk for bumper profits and losses, it minimizes the dimension of its working capital in relation to the revenues it generates. If it is willing to improve its liquidity, that in turn raises the level of its working capital. Nevertheless, this technique might tend to reduce the sales volume and consequently, it would affect the profitability. Thus, a company needs to have a striking balance between the liquidity and the profitability. In order to maintain high profitability levels companies might need to forfeit its solvency for maintaining relatively low levels of CA. As soon as the companies start doing so, its profitability would improve as less amount of money would be fastened up to the idle CA and their solvency would be in danger.

Profitability, in this reference may be the return earned on the total assets of the company. The success of the company usually depends on its returns earned, keeping the liquidity prospects in view. Usually, it is a difficult task to trade-off between the liquidity and profitability, as the conservative policy of working capital may ensure sound liquidity but endangers the profitability. On the other hand, aggressive policy helps in making profits but the liquidity is not promised. Before deciding an appropriate level of working capital investment, a firm's management has to evaluate the trade-off between expected profitability and the risk that it may be unable to meet its financial obligations. The investment of excess cash, minimization of inventories, speedy collection of receivables, and elimination of unnecessary and costly short-term financing all contribute to the maximization the profitability.

Review of Literature

Shin and Soenen, (1998) argued that efficient working capital management is very important to create value for the shareholders while Smith et.al., (1997) emphasized that profitability and liquidity are the salient goals of working capital management. Therefore, many organizations that are profitable on which are forced to cease their operations due to an inability to meet their short-term debt obligations. In order to sustain the business, it is essential for any organization to successfully manage its working capital

Elijelly (2004) in the study on "Liquidity – profitability tradeoff: An empirical investigation in an emerging market" empirically examined the relation between profitability and liquidity, as measured by current ratio and cash gap (cash conversion cycle) on a sample of joint stock companies in Saudi Arabia. The study found significant negative relation between the firm's profitability and its liquidity level, as measured by current ratio."

Raheman and Nasr (2006) discussed working capital management and its effect on liquidity as well as on profitability of the firm. They have studied the effect of different variables of working capital management including the Average collection period, Inventory turnover in days, Average payment period, Cash conversion cycle and Current ratio on the net operating profitability of Pakistani firms. Debt ratio, size of the firm (measured in terms of natural logarithm of sales) and financial assets to total assets ratio have been used as control variables. The results found that there is a strong negative relationship between variables of the working capital management and profitability of the firm. It means that the cash conversion cycle increases it will lead to decreasing profitability of the firm, and managers can create a positive value for the shareholders by reducing the cash conversion cycle to a possible minimum level. They found that there is a significant negative relationship between liquidity and profitability. They also found that there is a positive relationship between size of the firm and its profitability. There is also a significant negative relationship between debt used by the firm and profitability.

Singh and Pandey (2008) suggested that, for the successful working of any business organization, fixed and current assets play a vital role, and that the management of working capital is essential as it has a direct impact on profitability and liquidity. They studied the working capital components and found a significant impact of working capital management on profitability for Hindalco Industries Limited.

Chakraborty (2008), in the study on “Working Capital and Profitability: An Empirical Analysis of Their Relationship with Reference to Selected Companies in the Indian Pharmaceutical Industry” evaluated the relationship between working capital and profitability of Indian pharmaceutical companies. He pointed out that there were two distinct schools of thought on this issue: according to one school of thought, working capital is not a factor of improving profitability and there may be a negative relationship between them, while according to the other school of thought, investment in working capital plays a vital role to improve corporate profitability, and unless there is a minimum level of investment of working capital, output and sales cannot be maintained - in fact, the inadequacy of working capital would keep fixed asset inoperative.

Kevin and Young (2009) in their article, “Need Cash? Look Inside Your Company” had taken a hard look at the way company manages its working capital. He identified that a lot of capital tied up in receivables and inventory could be turned into cash by challenging the working capital practices and policies of the company. He had explored six common mistakes that companies make in managing working capital. He says that the simple act of correcting them could free up enough cash to make the difference between failure and survival in the current recession.

Karamjeet and Firew (2011) conducted a study to assess the working capital adequacy and its impact on profitability of firms using a sample of 449 Indian manufacturing firms and found that there is significant difference in relative solvency level of firms and firms with adequate working capital.

Chandrabai et al. (2011) in their paper on “Working Capital Management of Indian Electrical Equipment Manufacturers-A Comparative study” found that the companies in the electrical equipment industry have performed fairly well for financial year 2010. The sales of most of the companies have increased. The management of working capital is one of the most important and challenging aspect of the overall performance of the organization. Merely more effective and efficient management of working capital can ensure survival of a business enterprise. Working capital management is concerned with the problems that arise in attempting to manage the current assets, current liabilities and the interrelation that exists between them. This study analyses the comparative study of working capital management in Indian Electrical Equipment Industry and it is limited to the companies BHEL and ABB Ltd represent public and private sector enterprises respectively. Relevant data has been extracted from the consecutive annual reports between financial years 2005-06 to 2009-10 of both the companies.

Brahma (2011) conducted a study to examine and evaluate the importance of liquidity management on profitability as a factor accountable for poor financial performance in the private sector steel Industry in India.

Sandhar et.al (2013) examined the relationship between liquidity and profitability of selected Indian cement companies using regression analysis and revealed that current ratio and liquid ratio are negatively associated with return on assets (ROA), return on investment (ROI) and cash turnover ratio is negatively associated with ROI and ROA.

Neeraj and Devesh (2013) studied liquidity position and impact on profitability of Tata Steel and steel authority of India. The study found that liquidity position can be improved with the help of low average collection period and average collection can be reduce by proper

coordination between sale, production and finance department, lastly conclude that study found positive impact of liquidity position on profitability with the help of various techniques.

Ashok Kumar (2013) studied liquidity position of five leading companies which cover period of 10 years from 2000-2010. It has been found that the liquidity position of small companies are better as compared to big ones. Lastly, it is concluded that companies should maintain an ideal current and liquid ratio.

Mohmad and Dr. Syed (2016) analyzed the liquidity and profitability of selected companies and more specifically it sought the comparison between the liquidity and profitability performance of selected companies. There is significant difference between the performances of pharmaceutical companies on the basis of Quick Ratio. The performance of Cipla is better than that of Dr. Reddy's labs in terms of profitability

Objective of the Study

The study aims at evaluating the liquidity management of five leading Pharmaceutical companies over a period of 5 years (2012-16). More specifically the emphasis will be on the following issues:

1. To assess the liquidity position of the company under study.
2. To correlate the liquidity with profitability positions of the companies under study

Data set and sample: The study covers a period of 5 years covering a period from 2012 to 2016. The study is based mainly on secondary data relating to the study was obtained from the annual reports of the companies and from the online site named as www.moneycontrol.com. In addition, magazines and journals were also referred for finalizing the methodology for the study. Keeping in view the scope of the study, it was decided to select five large companies on the basis of total assets and whose financial information is available for the entire study period so as to meet our requirements. Editing, classification and tabulation of the financial data collected from the above mentioned-sources have been done as per requirements of the study.

Sample of the Study: The researcher has selected only five companies irrespective of their size to analyze the liquidity and profitability position. The selected companies are:

1. Biocon
2. Ajanta Pharma
3. Torrent Pharma
4. Lyka Lab
5. Ipca Labs

Information of the companies under study

1. **Ajanta Pharma:** Ajanta Pharma Limited is a holding company. The Company is a specialty pharmaceutical company engaged in developing, producing and marketing a range of branded and generic formulations. Its business includes branded generics in emerging markets of Asia and Africa, generics in the developed markets of the United States and Institutional sales. The branded generics business is spread in India and over 30 emerging countries across Africa, Commonwealth of Independent States (CIS), the Middle East and South East Asia. The company serves a range of therapeutic segments, such as anti-biotic, anti-malarial, anti-diabetic, cardiology, gynecology, orthopedics, pediatric, respiratory and general health products. It has approximately four existing manufacturing plants located in and around Aurangabad in Maharashtra, India. The Company's subsidiaries include Ajanta Pharma (Mauritius) Ltd., Ajanta Pharma USA Inc., Ajanta Pharma Philippines Inc. and Ajanta Pharma Nigeria Ltd.

2. **Biocon Ltd:** Biocon Limited is a biopharmaceutical company. The Company focuses to reduce therapy costs of chronic diseases like autoimmune, diabetes, and cancer. Through its products and research services, it is enabling access to affordable healthcare for patients, partners and healthcare systems across the globe. The Company has developed and taken a range of Novel Biologics, Biosimilars, differentiated Small Molecules and affordable Recombinant Human Insulin and Analogs from Lab to Market. The Company's brands include INSUGEN (rh-insulin), BASALOG (Glargine), CANMAb (Trastuzumab), BIOMAb-EGFR (Nimotuzumab) and ALZUMAb (Itolizumab), an anti-CD6 monoclonal antibody. It has a pipeline of Biosimilars and Novel Biologics at various stages of development, including Insulin Tregopil, an oral insulin analog.
3. **Torrent Pharma:** Torrent Pharmaceuticals Limited is engaged in the manufacture and sale of branded, as well as unbranded generic pharmaceutical products. The Company operates in the therapeutic areas of cardiovascular (CV), central nervous system (CNS), gastrointestinal, diabetology, anti-infective, anti-diabetics and pain management segments. The Company offers products in various categories, including tablets, capsule and parenteral. Its geographical segments include India and outside India. It manufactures various active pharmaceutical ingredients (APIs), such as Nicorandil, Risperidone, Venlafaxine Hydrochloride, Ropinarole Hydrochloride, Duloxetine Hydrochloride, Ormeloxifen Hydrochloride, Nebivolol Hydrochloride, Lamotrigine and Sertraline Hydrochloride. The Company's subsidiaries include Heumann Pharma GmbH & Co., Torrent Pharma GmbH, Heunet Pharma GmbH, Norispharm GmbH, Torrent Pharma (Thailand) Co. Ltd., Torrent Pharma S.R.L., Aptil Pharma Limited and Laboratories Torrent Malaysia Sdn. Bhd.
4. **Ipca Labs:** Ipca Laboratories Limited is engaged in pharmaceuticals business. The Company is a manufacturer and supplier of over 10 active pharmaceutical ingredients (APIs). It offers APIs, such as atenolol, hydroxychloroquine sulfate, morantel citrate, pyrantel pamoate and zaltoprofen. It offers brands, such as Zerodol, Lariago, HCQS Perinorm, Rapither, Tenoric, Lumerax, Etova, Malirid and Folitrax. Its 3c division focuses on cardiovascular and anti-diabetic markets. Its 3d division is focused on cardio-diabetic market. The Company's activa division serves the rheumatology market. Its altus division caters to the needs of intensivists, both surgical and non-surgical. Its Bionova division's focus area is dermatology. Its dynamic division focuses on cardiovascular, gastro-intestinal, anti-bacterial, pain management and respiratory sectors. Its hycare division caters to the needs of cardiologists and dialectologists. Its divisions also include innova, intima, pain management, and pharma and uro sciences.
5. **Lyka Labs:** Lyka Labs Limited is engaged in the business of pharmaceutical products and pharma-related activities, including research. The Company's principal business activity is formulation. It is engaged in the manufacturing of pharmaceutical formulations and active pharmaceutical ingredients (APIs) across various therapeutic segments. Its geographical segments include Domestic and Exports. The Company, through Cerabelle, offers skin and hair care solutions for skin lightening, skin hydration, anti-aging, protective, trichology, cleansers and anti-acne. Its products include Hyglow Tablet, Hyglow Skin Lightening Cream, Hyglow Foaming Face Wash, Gomoist Moisturizing Cream/Lotion, Oral Moisturizer Capsules, Agestop Collagen Boosting Cream, Rejuvenating Stem Cell Cream, Anacare Hair Revitalizing Serum & Shampoo, Sunsire Day Night Sunscreen, Anti Dandruff Shampoo, Hyglow Exfoliating Facial Scrub, Gomoist Daily Facial Cleanser, Anti Acne Foaming Face Wash and Phyto-Astringent Toner.

Limitations

We would like to make it clear that, mainly there are three limitations of this study, which are as under:

1. The study is confined to five years data only, i. e. from 2012–2016, therefore, a detailed analysis covering a lengthy period, which may give slightly different results has not been made.
2. The study is based on secondary data collected from the website www.moneycontrol.com and the websites of sample companies; therefore the quality of the study depends purely upon the accuracy, reliability and quality of the secondary data source.

Research Methodology

The samples selected for the study are the top five pharmaceutical companies of Indian Pharmaceutical Industry namely, Lyka Labs, Biocon, Torrent Pharma, Ipca labs, Ajanta Pharma. This study is based on secondary data. The data required for this study have been collected from the published annual reports of the selected companies and the website, moneycontrol.com. The study covered a period of ten years starting from 2012 to 2016. The techniques applied in the study are percentage method, mean, standard deviation, coefficient of variation, Ratio Analysis, Motaal's Ultimate Rank Test, Spearman's Rank Correlation etc.

Data Analysis and Findings

In order to study the liquidity position of all the companies, we have calculated the liquid ratios, amount invested in liquid assets, working capital and other related ratios which is depicted in the following tables

Table 1: Lyka Labs

Year	Current assets	current liabilities	working capital (CA-CL)	Inventory	Quick assets (CA-IN)	Current ratio	Quick ratio	Working capital to current assets (%)	Stock/ Inventory to current assets (%)	Quick asset/ Liquid resources to current assets (%)
2012	98.82	110.38	-11.56	14.97	83.85	0.76	1.32	-11.69	15.14	84.85
2013	101.0	113.6	-12.57	14.56	86.47	0.71	1.34	-12.44	14.41	85.58
2014	66.98	141.71	-74.73	8.6	58.38	0.54	0.86	-111.57	12.83	87.16
2015	63.84	139.68	-75.84	12.56	51.28	0.52	0.77	-118.79	19.67	80.32
2016	58.73	134.04	-75.31	6.96	51.77	0.48	0.89	-128.23	11.85	88.14
Mean	77.88	127.88	-50.00	11.53	66.35	0.60	1.03	-76.54	14.78	85.21
Growth	-40.09	23.66	-63.75	-8.01	-32.08	-0.28	-0.43	-116.53	-3.29	3.29
Growth %	-40.56	21.43	551.4	-53.50	-38.25	-36.8	-32.57	996.1744	-21.77	3.88
S.D.	18.20	13.25	30.97	3.210	15.58	0.11	0.243	52.91	2.70	2.70
C.V.%	0.23	0.10	-0.61	0.27	0.23	0.18	0.23	-0.69	0.18	0.03

Lyka Labs: Table 5, It is evident from the above table that in case of Lyka Labs, the current assets has shown a decrease in growth rate of around 40 percent and similarly current liabilities are grown around 21 percent in 5 years. The standard deviation of the current assets was Rs.18.20 and the coefficient of variation was 0.23%, which shows a steady and fast decline of current assets during the period of study. As evident from the table, the current liabilities, working capital and quick assets are also changed in the similar fashion as that of

current assets. The growth rate of current liabilities was 21.43 percent with a standard deviation of Rs.13.25 crores and a CV of 0.10 percent. The growth rate of working capital was 551.4 percent with a SD of Rs.30.97 crores and a CV of -0.61 percent. A higher CV rate indicates a greater variation of working capital during the period. The quick assets have registered a decrease in growth rate of 38.25 percent with a SD of Rs. 15.58 crores and a CV of 0.23 percent. When the liquidity ratios of Lyka Labs were analyzed, we found that both current ratio and quick ratio have registered a negative growth i.e. -36.8 and -32.57 percent respectively. The negative growth indicates that the liquidity position of the company has been degraded over the years. The average current ratio of the company was 0.60 which is far less than the ideal rule of thumb i.e. 2 and average quick ratio was 1.03 which is more than the ideal thumb rule i.e. 1, indicates a satisfactory liquidity position of the company during the years of study. When we tried to find out the overall liquidity position of the company by applying Motaal's Comprehensive Test of Liquidity, we found that working capital to current assets ratio has shown a negative growth of 76.54 percent. This indicates that the growth rate of current liabilities was more as compared to the growth rate of current assets and hence the working capital is decreasing slowly and slowly. This aggressive approach in the working capital might be the policy of the firm to enhance the profitability but no doubt it endangers the liquidity position of the company. The quick asset to current ratio has also registered a positive growth of 3.88 percent during the study period, which is an indication of company's concern and steps to maintain liquidity. After analyzing all the aspects of liquidity, we can just say that the present liquidity position of the company is not that much satisfactory as it ought to be. Company should take enough steps to increase the level of working capital, to increase the current ratio and quick ratio. Current assets should be increased at a faster rate as compared to current liabilities. Company must ensure that it has enough liquid resources to meet the short term obligations as they fall due. If the company operates strictly or mostly on cash basis or it is able to pay its creditors after it collects from its debtors, then the situation is in favour of the company. Otherwise, any moment the present situation may create serious financial troubles for the company which may even lead the company.

Table 2: Biocon

Year	Current assets	Current liabilities	working capital (CA-CL)	Inventory	Quick assets (CA-IN)	Current ratio	Quick ratio	Working capital to current assets (%)	Stock/ Inventory to current assets (%)	Quick asset/ Liquid resources to current assets (%)
2012	1352.1	563.6	788.5	340.4	1011.7	1.03	0.95	58.31	25.17	74.82
2013	1473.3	627.9	845.4	358.9	1114.4	1.32	1.15	57.38	24.36	75.63
2014	1467.3	603.8	863.5	357.6	1109.7	1.02	1.05	58.84	24.37	75.62
2015	1735.9	564	1171.9	406.3	1329.6	1.31	1.25	67.50	23.40	76.59
2016	2302.3	810.8	1491.5	467.5	1834.8	1.88	2.2	64.78	20.30	79.69
Mean	1666.18	634.02	1032.16	386.14	1280.0	1.312	1.32	61.36	23.52	76.47
Growth	950.2	247.2	703	127.1	823.1	0.85	1.25	6.46	-4.86	4.86
Growth rate %	70.27	43.86	89.15	37.33	81.35	82.52	131.5	11.08	-19.34	6.50
S.D.	342.02	91.72	265.78	46.20	296.20	0.312	0.451	4.02	1.70	1.70
C.V%	0.20	0.14	0.25	0.11	0.23	0.23	0.34	0.06	0.07	0.02

Biocon: Table 6, gives a detailed description of liquidity position of Biocon. It is evident from the table that in case of Biocon, the current assets has shown a growth rate of around 70 percent whereas the current liabilities are grown around 44 percent in last 5 years. The standard deviation of the current assets was Rs.342.02 and the coefficient of variation was 0.20%, which shows a steady and fast growth of current assets during the period of study. As evident from the table, the current liabilities, working capital and quick assets are also changed in the similar fashion as that of current assets. The growth rate of current liabilities was 43.86 percent with a standard deviation of Rs.91.70 crores and a CV of 0.14 percent. The growth rate of working capital was positive to the extent of 89.15 percent with a SD of Rs. 265.78 crores and a CV of 0.25 percent. A positive growth in working capital and a higher positive CV was observed during the period. The quick assets also have registered a positive growth rate of 81.35 percent with a SD of Rs. 296.20 crores and a CV of 0.23 percent. All these indicates the best liquidity in the company and the variability in working capital as well as quick assets leads to growth of the company, which indicates a constant stability in the liquidity position in the company. When the liquidity ratios of Biocon were analyzed, we found that both current ratio and quick ratio have registered a positive growth i.e. 82.52 and 131.5 percent respectively. The positive growth in both the ratios indicates that the liquidity position of the company has been built over the years. The average current ratio of the company was 1.312 and average quick ratio was 1.32, which is far more, indicates satisfactory liquidity position of the company during the years of study. Moreover, a higher CV percentage i.e. in case of current ratio 0.23 percent and in quick ratio 0.34 percent is also an indication of stability in the liquidity position of the company.

Table 3: Ipca Labs

Year	Current assets	Current liabilities	Working capital (CA-CL)	Inventory	Quick assets (CA-IN)	Current ratio	Quick ratio	Working capital to current assets (%)	Stock/ Inventory to current assets (%)	Quick asset/ Liquid resources to current assets (%)
2012	1196.6	635.2	561.4	663.98	532.62	-	-	-	-	-
2013	1384.8	629.69	755.11	733.34	651.46	1.7	1.15	54.52	52.95	47.04
2014	1583.55	781.39	802.16	838.3	745.25	1.53	1.03	50.65	52.93	47.061
2015	1593.06	893.91	699.15	916.98	676.08	1.32	1.03	43.88	57.56	42.43
2016	1521.68	837.62	684.06	831.94	689.74	1.5	0.87	44.95	54.67	45.32
Mean	1520.77	755.56	700.37	796.90	659.03	1.51	1.02	48.50	54.53	45.46
Growth	325.08	202.42	122.66	167.96	157.12	1.5	0.87	44.95	54.67	45.32
Growth %	27.16	31.86	21.84	25.29	29.49	11.76	24.34	17.55	-3.24	3.65
S.D.	83.15	106.65	81.16	88.39	70.29	0.13	0.09	4.32	1.88	1.88
C.V%	0.05	0.14	0.11	0.11	0.106	0.08	0.08	0.08	0.03	0.04

Ipca Labs: Table 7, it is evident from the above table that in case of Ipca Labs, the current assets has shown a growth rate of around 27.16 percent and similarly current liabilities are also grown around 31.86 percent in 5 years. The standard deviation of the current assets was Rs.83.15 and the coefficient of variation was 0.05%, which shows a steady and fast growth of current assets during the period of study. As evident from the table, the current liabilities, working capital and quick assets are also changed in the similar fashion as that of current assets. The growth rate of current liabilities was 31.86 percent with a standard deviation of

Rs.106.65 crores and a CV of 0.14 percent. The growth rate of working capital was 21.84 percent with a SD of Rs. 81.16 crores and a CV of 0.11 percent. A higher CV rate indicates a greater variation of working capital during the period. The quick assets have registered a growth rate of 29.49 percent with a SD of Rs. 70.29 crores and a CV of 0.106 percent. When we tried to find out the overall liquidity position of the company by applying Motaal's Comprehensive Test of Liquidity, we found that working capital to current assets ratio has shown a positive growth of 44.95 percent. This indicates that the growth rate of current liabilities was more as compared to the growth rate of current assets and hence the working capital is increasing slowly and slowly. This aggressive approach in the working capital might be the policy of the firm to enhance the profitability. The positive growth in stock to current assets ratio can be treated as negative action towards liquidity management. The quick asset to current ratio has also registered a positive growth of 45.3 percent during the study period, which is an indication of company's concern and steps to maintain liquidity. After analyzing all the aspects of liquidity, we can just say that the present liquidity position of the company is not that much satisfactory as it ought to be. Company should take enough steps to increase the level of working capital, to increase the current ratio and quick ratio. Current assets should be increased at a faster rate as compared to current liabilities. Company must ensure that it has enough liquid resources to meet the short term obligations as they fall due. If the company operates strictly or mostly on cash basis or it is able to pay its creditors after it collects from its debtors, then the situation is in favor of the company. Otherwise, any moment the present situation may create serious financial troubles for the company which may even lead the company towards bankruptcy.

Table 4: Torrent Pharma

Year	Current assets	current liabilities	working capital (CA-CL)	Inventory	Quick assets (CA-IN)	Current ratio	Quick ratio	Working capital to current assets (%)	Stock/ Inventory to current assets (%)	Quick asset/ Liquid resources to current assets (%)
2012	1423.99	828.57	595.42	393.12	1030.87	1.25	1.04	41.81	27.60	72.39
2013	2062.86	1112.02	950.84	697.09	1365.77	1.33	0.93	46.09	33.79	66.20
2014	2672.33	1166.94	1505.39	694.51	1977.82	1.42	1.09	56.33	25.98	74.01
2015	2731.63	1325.88	1405.75	781.15	1950.48	1.16	1.01	51.46	28.59	71.40
2016	3111.42	1501.94	1609.48	970.13	2141.29	1.15	0.74	51.72	31.17	68.82
Mean	2400.44	1187.07	1213.37	707.2	1693.24	1.26	0.96	49.48	29.43	70.56
Growth	1687.43	673.37	1014.06	577.01	1110.42	-0.1	-0.3	9.91	3.57	-3.57
% Growth	118.50	81.26	170.31	146.77	107.716	-8	-28.8	23.71161	12.94138	-4.93
S.D	592.70	224.93	382.09	186.28	422.81	0.10	0.12	5.02	2.75	2.75
C.V%	0.24	0.18	0.31	0.26	0.24	0.08	0.12	0.10	0.09	0.03

Torrent Pharma: Table 8, it is evident from the table 8 that, the current assets has shown a growth rate of 118.50 percent whereas the current liabilities are grown to the extent of 81.26 percent in last 5 years. The standard deviation of the current assets was Rs. 592.70 and the coefficient of variation was 0.24 percent, which shows steady and fast growth of current assets during the period of study. The working capital has also registered a positive growth of 170.31 percent indicates that the company has always tried to maintain the required amount

of working capital. The quick assets have registered a positive growth rate of 107.716 percent with a SD of Rs. 422.81 crores and a CV of 0.24 percent indicates that during the period company has invested enough money in liquid resources. When the liquidity ratios of Torrent Pharma were analyzed, we found that both current ratio and quick ratio have registered a negative growth i.e. -8 and -28.8 percent respectively. The negative growth in both the ratios indicates that the liquidity position of the company has been degraded over the years. The average current ratio of the company was 1.26 and average quick ratio was 0.96, which indicates that though the company maintains sufficient liquid resources, yet the current assets position is not up to the expectation. But, the overall position is satisfactory as compared to other companies under study. When we tried to find out the overall liquidity position of the company by applying Motaal's Comprehensive Test of Liquidity, we found that working capital to current assets ratio has shown a positive growth of 23.71 percent. This indicates that the growth rate of current assets was more as compared to the growth rate of current liabilities and hence the working capital was increasing slowly and slowly. This aggressive approach in the working capital might be the policy of the firm to enhance the profitability. The positive growth in stock to current assets ratio which is 12.94 percent is though a good sign for the company. The quick asset to current ratio has also registered a negative growth of 4.93 percent during the study period, which shows that company's liquid assets position as a part of current assets has also deteriorated subsequently during the period of study. But it is very low. After analyzing all the aspects of liquidity, we can say that the overall liquidity position of the company is good. As a part of suggestion, we can only say that company should try to increase its current liabilities level at par with increase in current assets.

Table 5: Ajanta Pharma

Year	Current assets	current liabilities	working capital (CA-CL)	Inventory	Quick assets (CA-IN)	Current ratio	Quick ratio	Working capital to current assets (%)	Stock/Inventory to current assets (%)	Quick asset/ Liquid resources to current assets (%)
2012	309.19	245.46	63.73	162.35	146.84	1.06	1.25	20.61	52.50	47.49
2013	325.8	217.77	108.03	143.51	182.29	1.4	1.38	33.15	44.04	55.95
2014	453.65	263.96	189.69	148.77	304.88	1.41	1.47	41.81	32.79	67.20
2015	573.03	244.83	328.2	153.05	419.98	2.17	1.85	57.27	26.70	73.29
2016	699.64	253.13	446.51	189.78	509.86	2.12	2.19	63.81	27.12	72.87
Mean	472.26	245.03	227.23	159.49	312.77	1.63	1.628	43.33	36.63	63.36
Growth	390.45	7.67	382.78	27.43	363.02	1.06	0.94	43.20	-25.38	25.38
Growth %	126.28	3.12	600.62	16.89	247.22	100	75.2	209.6265	-48.34	53.44
S.D.	148.48	15.27	141.86	16.35	137.81	0.43	0.34	15.72	10.10	10.10
C.V%	0.31	0.06	0.62	0.10	0.44	0.26	0.20	0.36	0.27	0.15

Ajanta Pharma: Table 9, gives a detailed description of liquidity position of Ajanta pharma. It is evident from the table that in case of Ajanta Pharma, the current assets has shown a growth rate of around 126.28 percent whereas the current liabilities are grown around 3.12 percent which is less than double of the growth rate of current assets in last 5 years. The standard deviation of the current assets was Rs.148.48 and the coefficient of variation was 0.31%, which shows a steady and fast growth of current assets during the period of study. As evident from the table, the current liabilities, working capital and quick assets are also changed in the similar fashion as that of current assets. The growth rate of current liabilities

was 3.12 percent with a standard deviation of Rs.15.27 crores and a CV of 0.06 percent. The growth rate of working capital was positive to the extent of 600.60 percent with a SD of Rs.141.86 crores and a CV of 0.62 percent. A positive growth in working capital and a higher positive CV rate indicates a faster growth of current assets as compared to current liabilities with a greater variation during the period. The quick assets also have registered a positive growth rate of 247.22 percent with a SD of Rs. 137.81 crores and a CV of 0.44 percent. All these indicates a very worse liquidity crunch in the company and the variability in working capital as well as quick assets are much more than the expected, which indicates a constant instability in the liquidity position in the company. When the liquidity ratios of Ajanta Pharma were analyzed, we found that both current ratio and quick ratio have registered a positive growth i.e. 100 and 75.2 percent respectively. The positive growth in both the ratios indicates that the liquidity position of the company has been built over the years. The average current ratio of the company was 1.63 and average quick ratio was 1.62 indicates an unsatisfactory liquidity position of the company during the years of study. Moreover, a higher CV percentage i.e. in case of current ratio 0.26 percent and in quick ratio 0.20 percent is also an indication of instability in the liquidity position of the company.

Motaal's Comprehensive Test of Liquidity

Motaal prescribes a comprehensive test for determining the soundness of a firm as regards to the liquidity position. According to him, a process of ranking is used to arrive at a more comprehensive measure of liquidity in which the following three ratios are combined in a point score :

- i) Working Capital (WC) to Current Asset Ratio = Working Capital/Current Assets x 100
- ii) Stock to Current Asset Ratio = Inventory or Stock/Current Assets x 100
- iii) Liquid Resources (LR) to Current Asset Ratio = Liquid Resources or Quick Assets/Current Assets x 100

The higher the value of both working capitals to current asset ratio and liquid resources to current asset ratio, relatively the more favorable will be the liquidity position of a firm and vice-versa. On the other hand, lower the value of stock to current assets ratio, relatively the more favorable will be the liquidity position of the firm. The ranking of the above three ratios of a firm over a period of time is done in their order of preferences. Finally, the ultimate ranking is done on the basis of the principle that the lower the points scored, the more favorable will be the liquidity position and vice-versa.

Table 6: Motaal's Comprehensive Test of Liquidity

Sr. No.	Company	Capital to Current Assets Ratio (%)	Rank	Stock to Current Assets Ratio(%)	Rank	Liquid Resources to Current Assets Ratio (%)	Rank	Total Rank	Ultimate Rank
1	Lyka labs	-76.54	5	14.78	5	85.21	1	11	5
2	Biocon	61.36	1	23.52	4	76.47	2	7	1
3	Ipca labs	44.95	3	54.67	1	45.32	5	9	3
4	Torrent pharma	49.48	2	29.43	3	70.56	3	8	2
5	Ajanta pharma	43.33	4	36.63	2	63.36	4	10	4

The above table shows that Motaal's comprehensive test of liquidity reveals that on the basis of Motaal's ultimate rank test of liquidity, Biocon is awarded rank-1, indicating that it is most liquid company among the other five. Torrent pharma, Ipca Lab and Ajanta pharma are awarded by the ranks- 2, 3 and 4 respectively. Lyka labs- 5 indicate the most unfavorable liquidity position.

When we tried to find out the overall liquidity position of the company by applying **Motaal's Comprehensive Test of Liquidity**, we found that working capital to current assets ratio has shown a positive growth of 209.62 percent. This indicates that the growth rate of current assets was more as compared to the growth rate of current liabilities and hence the working capital is increasing slowly and slowly. The negative growth in stock to current assets ratio can be treated as a positive action towards liquidity management assuming that the company was reducing its inventory level to the extent possible so as to free up the money tied up with the inventories. The quick asset to current ratio has also registered a positive growth of 53.44 percent during the study period, which shows that company's liquid assets position has also deteriorated subsequently during the period of study. After analyzing all the aspects of liquidity, we can just say that the present liquidity position of the company is very much worse. Company should take serious steps to increase the level of working capital, to increase the current ratio and quick ratio. Current liabilities should be increased at a faster rate as compared to current assets. Company must ensure that it has enough liquid resources to meet the short term obligations as they fall due. If the company operates strictly or mostly on cash basis or it is able to pay its creditors after it collects from its debtors, then the situation is in favor of the company. Otherwise, any moment the present situation may create serious financial troubles for the company which may even lead the company towards bankruptcy.

Liquidity and Profitability Analysis

Liquidity and profitability are two contradictory term, though one cannot be effective without other. But excess of one may slow down the other. Management should maintain adequate liquidity and profitability. For the measurement of the liquidity and profitability position of five pharmaceutical companies, we have used the different indicator shown in the following table. Current assets, total assets, and current assets to total assets ratio has been used for liquidity indicator, and return on capital employed has been used for measuring the profitability indicator. Spearman's Rank Correlation analysis is used to find out the relationship between liquidity with profitability and further, t test has been applied to test the hypothesis and draw conclusions. The Spearman's Rank correlation between current assets to total assets ratio (CTTR) and return on capital employed is displayed in the following tables.

$$\text{Correlation Coefficient}(r) = 1 - \frac{6 \sum D^2}{n(n^2-1)}$$

In order to test the hypothesis, it is necessary to know the sample coefficient of correlation. The appropriate test static to be used here is by applying the following formula:

$$t = \frac{r}{\sqrt{1-r^2}} \times \sqrt{n-2}$$

Null Hypothesis (H₀): There is a negative relationship between the two variables, viz. liquidity and profitability.

Alternative Hypothesis (H₁): There is no negative relationship between the two variables, viz. liquidity and profitability.

Table 7: Lyka labs

(Rs. In crores)											Rank Correlation between CTTR and ROCE of Lyka labs	
Year	Current assets (Rs.)	Total Assets (Rs.)	Capital employed (Rs.)	EBIT (Rs.)	CTTR	Rank	ROCE	RANK	D	D ²	r	t
					%	R1	%	R2				
2012	98.82	239.18	128.8	-14.44	41.31	1	-11.21	4	-3	9	0.1	0.2
2013	101.0	247.43	133.83	-3.05	40.81	2	-2.27	2	0	0		
2014	66.98	262.52	120.81	-26.64	25.51	4	-22.05	5	-1	1		
2015	63.84	233.12	93.44	-2.14	27.38	5	-2.29	3	2	4		
2016	58.73	228.03	93.99	5.09	25.75	3	5.41	1	2	4		

$\Sigma D^2=18$

The table value of 't' at 5 percent level of significance for 4= (n-1) degree of freedom is 2.776, whereas, the calculated value is 0.17. Since the computed value is less than the table value, the null hypothesis H₀ is accepted and concludes that there is a negative relationship between liquidity and profitability.

Table 8: Biocon

(Rs. In crores)											Rank Correlation between CTTR and ROCE of Biocon	
Year	Current assets (Rs.)	Total Assets (Rs.)	Capital employed (Rs.)	EBIT (Rs.)	CTTR	Rank	ROCE	RANK	D	D ²	r	t
					%	R1	%	R2				
2012	1352.1	2820.30	2256.7	304.4	47.94	4	13.48	5	-1	1	0	0
2013	1473.2	3013.20	2385.3	360.9	48.89	3	15.13	3	0	0		
2014	1467.3	3218.50	2614.7	408.6	45.50	5	15.62	2	3	9		
2015	1735.9	3333.00	2769	450.1	52.08	2	16.25	1	1	1		
2016	2302.3	4398.90	3588.1	491.5	52.33	1	13.69	4	-3	9		

$\Sigma D^2=20$

The table value of 't' at 5 percent level of significance for 4= (n-1) degree of freedom is 2.776, whereas, the calculated value is 0. Since the computed value is less than the table value, the null hypothesis H₀ is accepted and concludes that there is a negative relationship between liquidity and profitability.

Table 9: Ipca labs

(Rs. In crores)												
Rank Correlation between CTTR and ROCE of IPCA labs												
Year	Current assets (Rs.)	Total Assets (Rs.)	Capital employed (Rs.)	EBIT (Rs.)	CTTR	Rank	ROCE	RANK	D	D ²	r	t
					%	R1	%	R2				
2012	1196.6	2330.05	1694.85	368.94	51.35	1	21.76	3	-2	4	0.6	1.7
2013	1384.8	2708.75	2079.06	461.37	51.12	2	22.19	2	0	0		
2014	1583.55	3217.10	2435.71	629.01	49.22	3	25.82	1	2	4		
2015	1593.06	3823.74	2929.83	353.48	41.66	4	12.06	4	0	0		
2016	1521.68	3822.84	2985.24	108.52	39.80	5	3.63	5	0	0		

$$\sum D^2=8$$

The table value of 't' at 5 percent level of significance for 4= (n-1) degree of freedom is 2.776, whereas, the calculated value is 1.38. Since the computed value is less than the table value, the null hypothesis H₀ is accepted and concludes that there is a negative relationship between liquidity and profitability

Table 10: Torrent pharma

(Rs. In crores)												
Rank Correlation between CTTR and ROCE of Torrent Pharma												
Year	Current assets (Rs.)	Total Assets (Rs.)	Capital employed (Rs.)	EBIT (Rs.)	CTTR	Rank	ROCE	RANK	D	D ²	r	t
					%	R1	%	R2				
2012	1423.99	2578.38	1749.81	431.9	55.22	3	24.68	4	-1	1	0.3	0.6
2013	2062.86	3355.31	2243.29	701.91	61.48	2	31.28	2	0	0		
2014	2672.33	4332.68	3165.74	958.32	61.67	1	30.27	3	-2	4		
2015	2731.63	6509.59	5183.71	796.08	41.96	5	15.35	5	0	0		
2016	3111.42	7329.06	5827.12	2500.12	42.45	4	42.90	1	3	9		

$$\sum D^2=14$$

The table value of 't' at 5 percent level of significance for 4= (n-1) degree of freedom is 2.776, whereas, the calculated value is 0.54. Since the computed value is less than the table value, the null hypothesis H₀ is accepted and concludes that there is a negative relationship between liquidity and profitability.

Table 11: Ajanta

(Rs. In crores)											Rank Correlation between CTTR and ROCE of Ajanta Pharma	
Year	Current assets (Rs.)	Total Assets (Rs.)	Capital employed (Rs.)	EBIT (Rs.)	CTTR	Rank	ROCE	RANK	D	D ²	r	t
					%	R1	%	R2				
2012	309.19	617.16	371.7	79.76	50.09	3	21.45	5	-2	4	0.7	1.7
2013	325.8	675.38	457.61	163.51	48.23	5	35.73	4	1	1		
2014	453.65	879.87	615.91	313.06	51.55	2	50.82	2	0	0		
2015	573.03	1085.85	841.02	451.83	52.77	1	53.72	1	0	0		
2016	699.64	1414.90	1161.77	551.33	49.44	4	47.45	3	1	1		

$$\sum D^2=6$$

The table value of 't' at 5 percent level of significance for 4= (n-1) degree of freedom is 2.776, whereas, the calculated value is 1.7. Since the computed value is less than the table value, the null hypothesis H₀ is accepted and concludes that there is a negative relationship between liquidity and profitability.

Conclusion

Through the present study the researcher concludes that the liquidity ratio of Biocon is better as compared to others and others companies need to improve their liquidity position for better performance. Companies should always see that they maintain the ideal current and liquid ratio which is not there in case with the companies we have studied. In one case, we have come across with negative working capital. No doubt, in these days many companies are using negative working capital and getting a good amount of profits and good return on capital also. Negative working capital indicates lower cost of working capital (another way is higher profitability) but at the same time it indicates poor liquidity (worried situation for the creditors etc.) or we can say that the company is over burdened with current liabilities which is not good for any situation (especially in a period of recession, etc.) . Hence a trade-off need to be maintained to balance the both aspects i.e. liquidity and profitability.

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APPLICATION OF INTEGRATED MARKETING COMMUNICATION IN PHARMACEUTICAL INDUSTRY

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Abstract:

Integrated Marketing Communication is a business process or a strategy used to plan, develop, execute for brand communication program or to describe the product to your customers. The advancement of powerful communication mix in pharmaceutical advertising is complex task which identifies the target audience, deciding the correspondence targets, designing a message, choosing method of delivery and collecting feedback. Pharmaceutical promotion is divided in two phases' in-clinic and out-of-clinic which includes information leaflets, samples, gifts and clinical-trials, seminars, camps, advertisement, etc. The paper describes about Marketing mix which includes product mix, price mix and distribution channels. It also differentiate the promotional tools like internet based, Electronic detailing, Personal selling, E-Sampling used synergistically for prescription and OTC drugs while promoting the pharmaceutical products by using Integrated Marketing Strategy. Pharmaceutical industry faces many challenges like regulatory barriers and doctor's non-readiness for prescribing the drug products this can be overcome by convincing doctors by providing them adequate information about the quality of product and advantages over competitor's edge whereas in case of regulatory they must follow the norms led down by the authorities.

Key Words: IMC, Pharmaceutical, OTC, Marketing Mix, FDA.

Introduction

For every business to grow and prosper requires a proper communication and creating relationship with customer by identifying and fulfilling their needs which is easy for consumer products. Pharmaceuticals market is highly regulated, and it can be stated that prescription (legal or ethical) drugs have a status of substances in controlled circulation also has over the counter products with less or no legal restrictions. Promotional activities are also under strict legislation, further burdened with ethical consideration and public scrutiny. In case of pharmaceutical products the aim of promoting is to inform consumer and health care professionals about new treatments by either Direct-to-Consumer (DTC) by advertisement in order to make customer aware of new treatments available and to health care professionals by sales representative to give them up to date and accurate information about new chemical entities. Pharmaceutical market is generally integrated at three levels includes marketing mix components (product, price and method of distribution, promotional tools and the strategy of company. The basic marketing objective in case of pharmaceuticals is that both product chain and prescription chain meet at the end, this can be achieved by informing doctor by the sales team either through in-clinic promotion or out-of-clinic promotion/marketing. In-Clinic Promotional/Communication Mix includes detailing aid; leave behind material, samples, gift/giveaways, and direct mailers. Out-of-Clinic Promotional/Communication Mix includes clinical trials/studies, seminars/symposia/round table discussion sponsorships, film shows,

advertisements, public relations, free medical camps, corporate marketing, hospital/ward improvement programs, E-marketing which result in Direct-to-consumer promotion.

Marketing-Mix Components in Pharmaceuticals

Integrated Marketing Communication	Traditional Marketing Communication
1. Cooperative energy work: Integrated into one.	1. Separated capacity confinement
2. Client Oriented: begin with the client needs.	2. Association Oriented: begin with the objectives and item
3. Lucid correspondence programs	3. Breaking correspondence programs
4. Mark/Relationship building objective	4. Fleeting deals objective
5. Focused to partner section	5. Boundless gathering of people

This generally includes Product, Price and distribution channels.

1) **Product mix** indicates the decisions of the firm regarding the product design, product range, product packing, product quality, product branding, product labelling and after sale service. In case of pharmaceutical products out of all these parameters the most important that a product should fulfil is that of quality for which the standards are led down by regulatory agencies, the design of pharma product depends upon the targeted disease and route by which the drug need to be introduced whereas the other parameters like packing, labelling are depended upon the characteristic or nature of the drug that is to be packed and the labelling specifications are decided by the regulatory authorities.

2) **Price mix** reflects the managerial decisions of the business pertaining to pricing policies and strategies, terms of credit, terms of delivery, margin of profit, discount and allowances. The products we are discussing, their pricing depends upon the investment made for research and development by the organization and also the pricing of product is being controlled by some government committees' like in India Drug Price Control Order (DPCO). This is done in order to make the important medicines available to every income group at affordable prices. Regulatory factors should be considered while pricing. E.g. In the Pharmaceutical Market, there are Key Accounts which are belonging to Governmental sector or ministry of health sector (M.O.H.) who are obligated to decrease their pricing strategy by

50-80% to make their product available for the end-consumers in those sectors. So really the key account management and relationship marketing are playing an essential role in helping your organization to get best pricing strategies in those sectors.

3) **Distribution Channels:** Distribution is the only element in the marketing mix that makes the product of the manufacturer available to the customers. No matter how excellent the other elements of the marketing mix are, a firm cannot succeed in today's competitive world without good distribution channel strategy; i.e. the product of the manufacturer should be at the right place at the right time.

Promotional Tools:

- **Advertising:** Any paid type of non-personal communication and promotion of ideas, products, or services by a distinguished support (sponsor).
- **Personal selling:** Personal presentation by the firms sales force to make sales and build customer relationship.

- **Sales advancement:** Short-term motivations to support the buy or sale of a item or services by offering discounts or offers.
- **Public relations:** Building great relations with the organization's publics by getting ideal attention, developing a decent "corporate picture," and taking care of or handling negative gossipy, stories, and unfavourable occasions or events.
- **Direct advertising:** Direct interaction which is precisely focused on grabbing purchaser's attention or to acquire a quick reaction by utilization of mail, phone, fax, email, and other non-individual aid to discuss straightforwardly with the seller.

Table:1 Promotional tools used in marketing communications on the RX and OTC markets.

RX Drugs	OTC Drugs
<ol style="list-style-type: none"> 1. Advertising : authority squeeze productions, tended to specialists, drug specialists, data hand-outs 2. Personal offering – restorative delegate, bolster through new advancements e-specifying, CLM (Closed Loop Marketing) 3. Sales advancement: giving supplies using a credit card to wholesalers and drug stores, free examples of medications for specialists, rebates for discount buys, bundle bargains for drug stores, reliability programs. 4. Public Relations – promoting occasions, preparing for specialists and drug specialists, campaigning, sponsorship, visual recognizable proof framework, media relations, counselling programs for drug stores. 5. e-pharmamarketing 	<ol style="list-style-type: none"> 1. Advertising: TV, squeeze, radio, posters, BTL media (promotional materials in drug stores, surgeries, timekeepers ,timetables, flyers, flyers, data flags and so on.), surrounding media itemizing, CLM (Closed Loop Marketing) 2. Personal offering drug specialist's recommendation 3. Sales advancement: greater bundle at a similar cost, rebates, extra item with the buy of the essential medication, vouchers, rivalries, devotion rewards 4. Drug store marketing 5. Public relations: sponsorship, exposure, promoting occasions for specialists, drug specialists, patients 6. Product situation (setting an OTC medication in a motion picture or a TV arrangement) 7. e-pharm marketing

Steps in Developing Effective Communication :

- Recognizing the Target Audience :** A communicator has to have a clear target in mind. In case of pharmaceutical detailing one has to see whether the detailing is being done to general practitioner or a specialist. On the basis of target physician (GP's or specialist) the depth of detailing is being decided.
- Determining the Communication Objectives :** Once the target group has been characterized, the advertising communicator must choose what reaction is looked for. Obviously, in numerous cases, the last reaction is buy. Whereas in case of pharmaceutical the outcomes is to prescribe for which it is necessary that the physician gets convinced for that the physician who just have basic knowledge about the product should be told in detail and the one who has built liking for product may be looking for one good reason to prescribe that product.

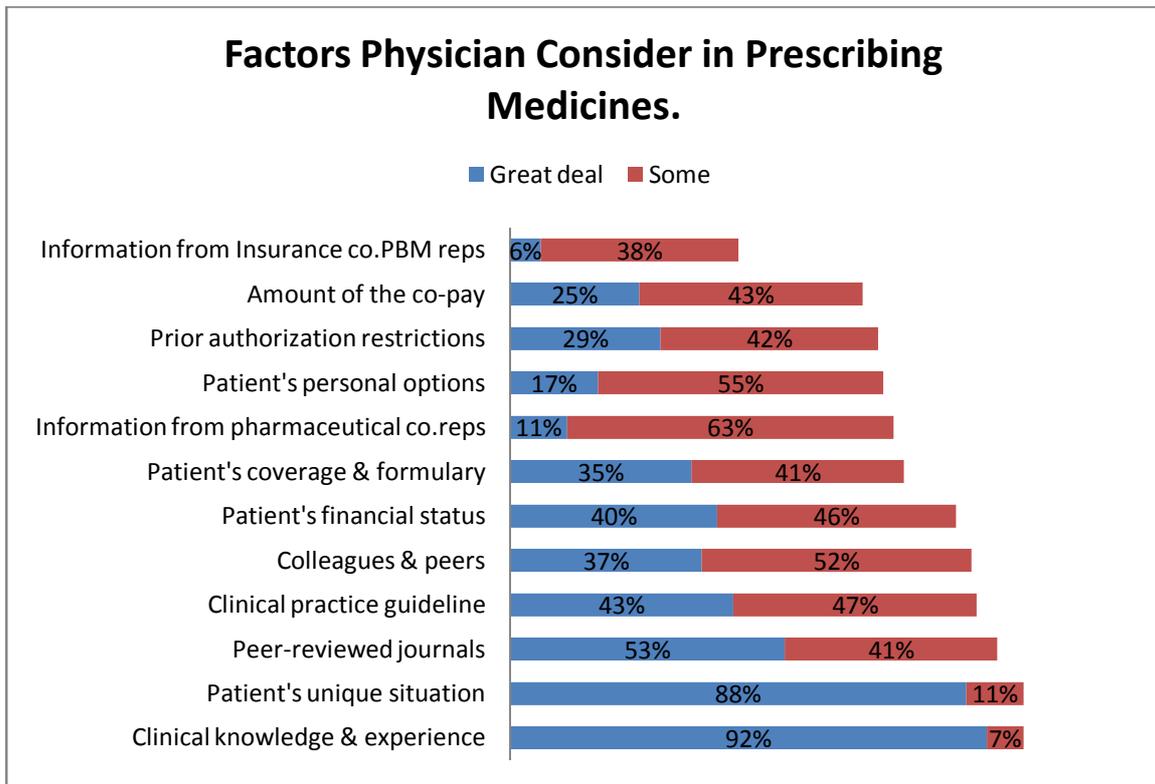
- iii) **Designing a Message:** After identifying the target audience and its needs the communicators moves further to design a message .This message is designed on the basis of AIDA model which stands for Attention, Interest, Desire and Action but in case of pharmaceuticals the Desire should be replaced with Decision, decision to prescribe that product.
- iv) **Choosing Media:** The communicator now should choose proper channels for communicating or informing about the product. There may be two types of marketing tools adopted by pharmaceutical organization i.e. in-clinic, out-of-clinic.
 - a) **Personal Communication Channels:** Channels through which at least two individuals discuss straightforwardly with one another, whether eye to eye, by phone, via mail, or by means of the web.
 - b) **Word-of-mouth Influence:** Personal correspondence about an item between target purchasers and neighbours, companions, family individuals, and partners.
 - c) **Non-individual Communication Channels:** Media that convey messages without individual contact or input, counting significant media, radio, and seminars.
- v) **Selecting the Message Source :** In either in-clinic or out-of-clinic communication, the message's effect on the objective group of onlookers is additionally influenced by how the gathering of people perspectives the communicator. Messages conveyed by very trustworthy sources are more influential.
- vi) **Collecting Feedback :** After sending the message, the communicator need to research whether the message has reached to the extent expected. Research could be carried out by marketing and sales management personnel and while interacting with few of the targeted physician they can get idea whether the message was effectively communicated or not and were the queries of doctors resolved by the same.

Challenges faced by Pharma Industry :

1. **Regulatory Barrier :** US FDA is a regulatory authority which closely regulates the Pharmaceutical marketing by assuring that the promotional material are accurate, fairly balanced and only limited information which has been approved by FDA is being transferred. Many Pharmaceutical industries has adopted their own guidelines which have specified standards led down for interaction with health care providers and appropriate Direct-to-Consumer (DTC) marketing. One of the division of FDA i.e. Drug Marketing & Communication (DDMA) which regulate the promotion of prescription drugs advertisement & help assure that the ads are in compliance with the FDA's rules and regulations.
2. **Doctors readiness :** According to survey carried out by (BCG) Boston Consulting Group and Tufts Centre for Study of Drug Development found that from amongst the various factors only 13-14% physicians said that pharmaceutical representative have a major impact. Thus choosing a competent sales force does not resolve the problem of convincing doctors to prescribe the medicine within a short period of detailing, instead nowadays pharmaceutical organization has adopted some strategies like giving free samples to doctors as a test marketing to make doctor sure about the effectiveness of that medication, and depending upon the doctors profile the sales reps are trained to detail in different ways to different doctors.

MARKETING TPROVIDERS & PRESCRIBING PATTERNS

said pharmaceutical representatives have major impact.



Due to these restrictions it's difficult to implement all the promotional tools synergistically as that of consumer products. But still there are few tools that can be used together in pharmaceutical marketing by considering that it does not violet any law led down by government of particular country .This tools include



A. Internet Based Drug Promotion

Using Corporate Blogs, Social Network Webs and Many Other Online Methods Pharmaceutical industry is focusing on the advantages of the internet and the development of new media forms to promote their products. Electronic detailing, interactive websites, E-mailprompts and viral marketing campaigns using social networking sites such as YouTube, My Space and Face book are among the tools being used.

B. Electronic Detailing

With the technological development, many existing methods and practices has been either replaced or modified in combination with technologically developed methods. Electronic detailing (e-detailing) is one of the methods of drug promotion introduced few years back as technologically develop tool. In pharmaceutical industry it has been introduced as a new communication channel for the promotion of drugs among the physicians. For e-detailing digital technologies like internet, video conferencing, and interactive voice response are adopted to interact with physicians.

- The chance to get some answers concerning the thing and the treatment at the time picked by a specialist and in this manner invaluable (i.e. on the expert's terms),
- cut down costs of reaching the social occasion of individuals when appeared differently in relation to other advancing trades works out,
- adjusting more about the specialists and medication authorities and their slants,
- growing the quality and appeal of visits by restorative agents.

E-detailing presentations may show up as:

- An intelligent media presentation,
- A video presentation,
- A static presentation with instinctive segments.

C. Personal Selling

Marketing is just not selling product to the customer but it is also making profitable lifetime relationship with them .In Pharmaceutical marketing or promotion the role of making and maintaining genuine relation with people is the part and parcel of sales force The sales person is the only person who dives all the movements of the product. So it is mandatory for the sales representative to be dominant, creative, and strategic and must have ability to convince physician by providing right knowledge about the product and telling the advantages over the competitors. For this reason sales person must have some selling styles like satisfying customer needs, should be able to solve query, handling objection, etc. Personal selling is carried in eight steps which includes Prospecting, Pre-approach, Approach, assign the needs, presentation, handling objection, purchase decision, follow up. Personal selling becomes an easiest tools if sales rep follow 4 C's Convince, Convert, Consolidate& Consistent approach.

D. E-Sampling

Sampling is the best promoting tools by which specialists can begin the treatment quickly and test the resistance of the product on their patients as per the condition of disease. It likewise helps the specialists to attempt it as a standard practice for the specific brand also, perceives the name of the brand as it keeps on resounding in their brain. With the advancement of the technology request of physical supply of the samples can be easily made by the doctors using online portals on laptops or mobiles. This has changed the scenario of

availability and delivery of products. Doctors may distribute samples to patients for several reasons—for instance, to get patients started on therapy right away, to optimize dosing or choice of drug before committing to a particular course of treatment, and sometimes to help patients who might not be able to afford medicines on their own. A 2008 KRC Research survey found 69% of physicians believe free drug samples are either always useful (52%) or often useful (17%).²¹ Ninety-five percent of physicians surveyed agreed that samples allow patients to start immediate treatment and 84% said that samples provide them with useful first-hand experience. According to the chairman of the Asthma and Allergy Foundation's Medical- Scientific Council, samples are “an important way of trying to find out which [medicines] work for patients.

E. Sponsorship

Organizations additionally attempt to make indirect payment to the specialists by different backhanded ways i.e. for clinical trials, national and global seminars and symposia sponsorships, free therapeutic camps, conducting lectures for health care providers (physicians). Some of the health care products which are OTC also adopted the sponsorship strategy for promotion like Revital capsules by Ranbaxy, many other pain reliever products sponsor the national and international sports event this helps them to generate sales and gain profit

Facts and Figures of Pharmaceuticals spending on promotion :

The survey conducted by IMS in 2006 reported that promotional activity spending of Pharmaceuticals totalled to \$12.0 billion Furthermore ,the entire industry's DTC advertising (such as magazines & television) accounts for \$4.8 billion of total promotion. The remaining accounts for \$7.2 billion which was spent on office promotion, hospital promotion and journal advertise.

Examples of Few Pharmaceutical Companies that have adopted Integrated Promotion Strategy:

Pfizer's one of the patented product was promoted using Direct-To-Consumer (DTC) advertisement (radio, television) .Pfizer launched a massive campaign in order to educate people and branding Viagra. Merck for its osteoarthritis drug Vioxx adopted public relation approach by hired a celebrity Dorothy Hamill. Whereas AstraZeneca utilized new technology to promote Zomig an anti-migraine by broadcasting its commercial with interactive television because of which interested individual try to gain information and also get connected to brand's web site Direct/Viral E-mailcampaign are also adopted by companies for some new prescription drug products by emphasising on its benefits and results. Various healthcare OTC products started use of IMC eg: Revital a nutrition supplement which was promoted using DTC advertisement, sponsorship strategy and also hiring celebrity, Volini, Iodex which are pain relievers are also being promoted by the same tools and with the help of sports person.

Conclusion :

The concept of having an integrated marketing communications is all about effectively coordinating your efforts to produce a sale in a targeted market. This concept applies to the pharmaceutical industry for introducing the product in market and also helps to increase the sales of product. With the increasing competition pharmaceutical industry need to evolve new marketing tools in order to make patients and physicians aware of new treatments and also to gain profit. For a company's drug's to secure market category customer-centric brand communication plays an important role. In order to convey consistent and powerful messages to all stakeholders, especially patients Integrated Marketing

campaigns are adopted by pharmaceutical companies. To create a new marketing or sales model for future, it should start by analysing its own value chain to recognize opportunities for working more closely with healthcare and providers, for example collaboration with the governments, patients and health insurance by ensuring that it has social and economic value.

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CAPITAL STRUCTURE COMPONENTS : A STUDY ON AUTOMOBILE SECTOR IN INDIA FOR THE PERIOD 2012-2016

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Abstract:

Indian economy is encompassed by varied sectors comprising primary, secondary and tertiary sector. During the past decades the Indian economy has witnessed enormous dynamism in secondary sector. Automobile sector being under the umbrella of secondary sector is one of the most booming sectors of the country having a huge scope of growth in the coming era. The automobile sector affects various allied and non allied sectors directly and indirectly of the Indian market. With the emerging new players in the market, the traditional pattern of the capital structure is changing drastically. Hence, it portrays a need to study the performance of this sector. Further for the purpose of understanding the financial performance, study of various parameters like capital structure, GDP contribution and alike is needed. These parameters reflect compositional and the structural change in the capital structure of the companies in the defined time frame and in return what impact it shall have on its financial performance. The implication of the study shall help us understand and get more insight about the capital structure framework and its effect on the performance of the companies. The aim of this paper is to examine the effect of capital structure on financial performance of the automobile companies in the Indian economy. In the later part, the paper shows the positive or negative relationship between the capital structure and financial performance of automobile sector of Indian market.

Key Words: Financial performance, Capital structure, secondary sector, Indian economy,

INTRODUCTION

Indian automobile industry:

The Indian Economy is in the process of rapid development in every sector. The importance of automobile Industry in directing the activities of economic system is indeed overwhelming. Automobile sector being under the umbrella of secondary sector is one of the most booming sector of the country has a huge scope of growth in the coming era. The automobile sector affects various allied and non-allied sectors directly and indirectly of the Indian market. With the coming up of new players in the market, the traditional pattern of the capital structure has changed drastically. Hence, there is a need to study the components of the capital structure which in turn affect the performance of this sector.

The automobile sector in India has come a long way. This sector has reported high growth rate from 26% to a worst negative growth in some segments during past years. Indian auto sector is one of the most vibrant industries. The automobile industry is one of India's major sectors; accounting for 22% of the country's manufacturing GDP.

The Indian auto industry, comprising passenger cars, two-wheelers, three-wheelers and commercial vehicles, is the seventh-largest in the world with an annual production of 17.5 million vehicles, of which 2.3 million are exported. Indian Auto market has the potential

to dominate the Global auto industry, provided, a conducive environment is created for potential innovators to come up with new pilot projects.

With the gradual liberalization of the automotive sector in India since 1991, the number of manufacturing facilities has grown progressively. In the last ten years, the volumes, exports and turnover have increased by 3.8, 19.6 and 6 times respectively. The contribution of this sector to the National GDP, with liberalization, has risen from 2.77% in 1992-93 to about 8% now. It provides direct and indirect employment to over 13.1 million people. At present, India has amongst the lowest vehicle densities globally at 11 cars per thousand persons and 32 two-wheelers per thousand persons. This is very low as compared to other comparable economies. Thus, there is a huge potential market for automobiles that is yet to be tapped.

(Source: Report of the working group on Automotive Sector for the 12th five year plan (2012-2017)

Capital structure and its components:

Capital structure is one of the most important and effective parameters for the valuation of economic enterprises. There are a multiple sources of financing by which a Company can finance its operations. Sources of finance are classified into two categories, the internal sources which consists Equity and Preference shares issued and retained earnings of the Company and the other is external source which includes Long term and Short term borrowings and Debentures issued. The Capital Structure of any Company is the combination or blend of such internal and external sources of financing. The decision to use debts to finance assets is called leverage which affects the return and risk of owners and lenders. In case of major proportion of debt into capital structure of a company then it is said to be highly levered, using more debt increases the riskiness due to fixed interest obligations and leads to increased expected return on equity as higher the risk higher will be the expected rate of return by owners. Hence, the decision of financing the assets of a company is very important so that there can be a balance between risk and return to achieve the goal of maximisation of wealth and the value of the Company. The purpose of the present study is to analyse the role of capital structure to identify the relationship with financial performance of the automobile companies in India.

REVIEW OF LITERATURE

A lot of research has been conducted so far by various researchers all over the world to identify the impact of capital structure on financial performance of the companies. To develop a clear understanding about such relationship review of some of the literatures available are as under:

Modigliani and Miller (1958) establish that under certain assumptions i.e perfect capital market with symmetric information, no transaction and bankruptcy cost exist, absence of taxes, equity and debt choice becomes irrelevant and there will be no impact on company's performance due to selection of source of financing. In 1963, Modigliani and Miller argued that companies will prefer debt financing because of the tax shield on interest.

Das Sumitra and Roy Malabika (2002) found that though differences in firm size contributes to the existing variation in financial leverage ratio across industry-classes to some extent, it is the nature of the industry itself or more precisely the differences in the fund requirement of industry groups based on the technology used, which is a potential source of the existing variation.

Margaritis and Psillaki (2010) observed a significant positive relation between leverage and firm's performance. They used a sample of both low and high growth French

firms for the period 2003-2005 and found that leverage have positive effect on firms' efficiency over the entire sample.

Velnampy&Niresh (2012) revealed that profitability of the firm's is dependent upon the capital structure decisions of the firm having the different debt and equity combination that can well suited to increase the profitability of the firm. The important part of the firm's financial strategy is to prosperous choice and use of its capital. The relationship between firm's capital structure and the firm's profitability is very significant as the profitability of the firm can be directly affected by the capital structure decisions of the firms.

Anurag Pahuja and Anu Sahi (2012)in their study on factors affecting capital structure decisions: Empirical evidence from selected Indian firms, confirmed that independent variables i.e. growth and liquidity indicates positive and significant relationship with debt equity ratio in consistence with pecking order theory of capital structure.

RESEARCH METHODOLOGY

Objectives of the Study:

1. To find out if there exists any relationship between capital structure and firms' financial performance.
2. And if there is a relationship, then to find out direction of relationship that whether relationship is positive or negative.
3. In case of existence of relationship between capital structure and firms' financial performance it would also be understood in this study that up to what extent capital structure affects the financial performance of the firms.

Hypothesis of the Study:

1. H0: There is no significant relationship between capital structure and financial performance.
H1: There is a significant relationship between capital structure and financial performance.

Limitations:

The present study is restricted to the Automobile Companies listed in Indian Stock Exchanges (BSE/NSE). The time period taken into consideration for analysis is three year i.e. from financial year 2012-13 to 2015-16.

Data collection:

Only secondary data is used to attain the objective of the study which is taken from websites and cross verified with published annual report of the respective companies which is hunted from official website.

Sample Size:

For the study, data of two listed automobile companies on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) from automobile industry are taken as a sample and it is assumed that the findings of the sample will apply to the total automobile industry. The companies which are taken as the sample are:

1. Bajaj Auto
2. TVS motors
- 3.

Determinants of variables:

The present study consist capital structure as independent variable and financial performance as dependent variables. Here capital structure is measured with the help of debt equity ratio and financial performance is measured with the help of ROE, ROA and ROCE.

Variables and its definitions:

VARIABLES	PROXY VARIABLES	FORMULA
Capital Structure (Independent Variable)	Debt Equity ratio	Debt / Equity
Financial Performance (Dependent Variable)	ROA (Return on Assets)	Net income/total assets
	ROE (Return on Equity)	Net income/shareholders equity
	ROCE (Return on Capital Employed)	EBIT / capital employed

Tools and techniques of analysis:

Statistical measures like correlation, regression are used to measure the relation between two variables i.e. capital structure and financial performance and t-test for hypothesis testing with the help of MS Excel 2008.

- a. **Correlation Method:** To study the relationship between capital structure and three measures of financial performance correlation method is used.
- b. **Regression Method:** A linear regression model has been developed to estimate the effect of variation in capital structure i.e. independent variable to the variation in the financial performance i.e. dependent variable.
- c. **t-test for hypothesis testing:** t-test is used for test the considered hypothesis, the result of which enables to accept or reject the hypothesis.

DATA ANALYSIS & FINDINGS

BAJAJ AUTO:

Year	D/E	ROA	ROE	ROCE
2012	0.02	29.54	54.98	70.89
2013	0.01	25.74	43.25	59.36
2014	0.01	23.37	35.83	50.59
2015	0.01	17.98	26.45	38.16
2016	0.01	22	29.51	43.38

(Figures in %)

a. Correlation Analysis:

1. With ROA:

	D/E	ROA
D/E	1	
ROA	0.755735	1

Interpretation: The above table shows the correlation between capital structure and return on assets. The correlation coefficient is positive between ROA and Capital structure, which means increase in debt-equity results in an increase in return on assets.

b. Regression Analysis:

With ROA:

Regression Statistics	
Multiple R	0.755735
R Square	0.571136
Adjusted R Square	0.428181
Standard Error	0.003382
Observations	5

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 57.0% profitability is caused by capital structure and other 43% is caused by other variables.

c. t-test for hypothesis testing

	Coefficient s	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-0.00665	0.00945	-0.70323	0.532574	-0.03672	0.023429	-0.03672	0.023429
X Variable 1	0.000786	0.000393	1.998804	0.139488	-0.00047	0.002037	-0.00047	0.002037

Interpretation: The t static value is less than the t critical value, hence, H0 is accepted. Therefore, t-test confirms that there is a positive, low and statistically not significant relationship between debt- equity and ROA. This implies that the debt-equity has no significant impact on ROA at 5% significance level.

t val(1.9988)<t cri (12.706), H0 is accepted.

a. Correlation Analysis:

2. With ROE:

	D/E	ROE
D/E	1	
ROE	0.827498	1

Interpretation: The above analysis table shows the correlation between capital structure and return on equity. The correlation coefficient is positive between ROE and capital structure, which means increase in debt-equity results in an increase in return on equity.

b. Regression Analysis:

With ROE:

Regression Statistics	
Multiple R	0.827498
R Square	0.684753
Adjusted R Square	0.57967
Standard Error	0.002899
Observations	5

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 68.47% profitability is caused by debt-equity and other 31.53% is caused by other variables.

c. t-test for hypothesis testing

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-0.00026	0.004976	-0.05297	0.961085	-0.0161	0.015572	-0.0161	0.015572
X Variable	0.000323	0.000126	2.552711	0.083745	-8E-05	0.000725	-8E-05	0.000725

Interpretation: The t static value is less than the t critical value, hence, H0 is accepted. Therefore, t-test confirms that there is a positive, low and statistically not significant relationship between debt-equity and return on equity. This implies that the debt-equity has no significant impact on ROE at 5% significance level.

t val (2.552711) < t cri (12.706), H0 is accepted.

a. Correlation Analysis:

3. With ROCE:

	D/E	ROCE
D/E	1	
ROCE	0.790838	1

Interpretation: The above table shows the correlation between debt-equity and return on capital employed. The correlation coefficient is positive between ROCE and capital structure, which means increase in debt-equity, results in an increase in return on capital employed.

a. Regression Analysis:

With ROCE:

Regression Statistics	
Multiple R	0.790838
R Square	0.625425
Adjusted R Square	0.500567
Standard Error	0.00316
Observations	5

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 62.54% profitability is caused by debt-equity and other 37.46% is caused by other variables.

c. t-test for hypothesis testing

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-0.00226	0.006526	-0.34625	0.752018	-0.02303	0.01851	-0.02303	0.01851
X Variable 1	0.000272	0.000121	2.238098	0.111157	-0.00011	0.000658	-0.00011	0.000658

Interpretation: The t static value is less than the t critical value, hence, H0 is accepted. Therefore, t-test confirms that there is a positive, low and statistically not significant relationship between debt-equity. This implies that the debt-equity has no significant impact on ROCE at 5% significance level.

t val (2.238098) < t cri (12.706), H0 is accepted.

TVS MOTORS

Year	D/E	ROA	ROE	ROCE
2012	1.81	4.31	18.85	16.81
2013	1.19	5.92	24.46	19.69
2014	0.71	5.33	19.53	20.91
2015	0.9	7.81	28.5	24.81
2016	0.73	7.68	27.08	23.8

(Figures in %)

a. Correlation Analysis:

1. With ROA:

	D/E	ROA
D/E	1	
ROA	-0.68395	1

Interpretation: The above table shows the correlation between capital structure and return on assets. The correlation coefficient is negative between ROA and Capital structure, which means increase in debt-equity results in a decreases in return on assets.

b. Regression analysis:

With ROA:

Regression Statistics	
Multiple R	0.683951
R Square	0.467789
Adjusted R Square	0.290385
Standard Error	0.385128
Observations	5

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 46.77% profitability is caused by debt-equity and other 53.23% is caused by other variables.

c. t-test for hypothesis testing

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	2.349141	0.807538	2.909016	0.062046	-0.22081	4.919087	-0.22081	4.919087
X Variable 1	-0.2063	0.127046	-1.62384	0.202872	-0.61062	0.198015	-0.61062	0.198015

Interpretation: The t static value is less than the t critical value, hence, H0 is accepted. Therefore, t-test confirms that there is a negative, low and statistically not significant relationship between debt-equity. This implies that the debt-equity has no significant impact on ROA at 5% significance level.

t val (-1.62384) < t cri (12.706), H0 is accepted.

a. Correlation Analysis:

2. With ROE

	D/E	ROE
D/E	1	
ROE	-0.49718	1

Interpretation: The above table shows the correlation between capital structure and return on equity. The correlation coefficient is negative between ROE and Capital structure, which means increase in debt-equity results in a decreases in return on equity.

b. Regression analysis:

With ROE:

Regression Statistics	
Multiple R	0.497183
R Square	0.247191
Adjusted R Square	-0.00375
Standard Error	0.458042
Observations	5

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 24.71% profitability is caused by debt-equity and other 75.29% is caused by other variables.

c. t-test for hypothesis testing

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	2.30345	1.261517	1.825937	0.165338	-1.71126	6.31816	-1.71126	6.31816
X Variable 1	-0.05216	0.052558	-0.99251	0.394111	-0.21943	0.115098	-0.21943	0.115098

Interpretation: The t static value is less than the t critical value, hence, H0 is accepted. Therefore, t-test confirms that there is a negative, low and statistically not significant relationship between debt-equity and return on equity. This implies that the debt-equity has no significant impact on ROE at 5% significance level.

t val (-0.99251) < t cri (12.706), H0 is accepted.

a. Correlation Analysis:

3. With ROCE

	D/E	ROCE
D/E	1	
ROCE	-0.8195	1

Interpretation: The above table shows the correlation between capital structure and return on capital employed. The correlation coefficient is negative between ROCE and Capital structure, which means increase in debt-equity results in a decreases in return on capital employed.

b. Regression analysis:

With ROCE:

Regression Statistics	
Multiple R	0.819502
R Square	0.671584
Adjusted R Square	0.562112
Standard Error	0.302535
Observations	5

Interpretation: The above table shows the value of R, R square and the adjusted R square. R square shows that 67.15% profitability is caused by debt-equity and other 32.85% is caused by other variables.

c. t-test for hypothesis testing

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	3.536557	1.005796	3.516176	0.039024	0.335664	6.73745	0.335664	6.73745
X Variable 1	-0.11642	0.047003	-2.47684	0.08952	-0.266	0.033166	-0.266	0.033166

Interpretation: The t static value is less than the t critical value, hence, H0 is accepted. Therefore, t-test confirms that there is a positive, low and statistically not significant

relationship between debt-equity and return on capital employed. This implies that the debt-equity has no significant impact on ROCE at 5% significance level.

t val (-2.47684) < t cri (12.706), H₀ is accepted.

CONCLUSION

This study involves determining the relationship between capital structure (Debt/equity) and profitability of the automobile companies in India (2012-2016). The correlation results confirmed that Capital structure shows a significant positive relationship with all profit measuring ratios (ROA, ROE, ROCE) with reference to Bajaj Auto Ltd. While, with reference to TVS Motors, Capital structure shows a significant negative relationship with all profit measuring ratios (ROA, ROE, ROCE) at confidence level 0.5%.

Through the regression analysis, it is found that in case of Bajaj Auto, there is 57%, 68% and 62% positive impact of capital structure on financial performance i.e. ROA, ROE and ROCE respectively. In case of TVS Motors there is 46%, 24% and 67% negative impact of capital structure on financial performance i.e. ROA, ROE and ROCE respectively.

The result of regression and t-test for hypothesis testing indicates that there is no significant relationship between capital structure and financial performance of the companies.

So we accept our null hypothesis at confidence level 0.5%.

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IMPACT OF DIGITAL TOOLS ON RETAIL SHOPPING WITH REFERENCE TO NAGPUR CITY (FOR THE YEAR 2017)

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Abstract—

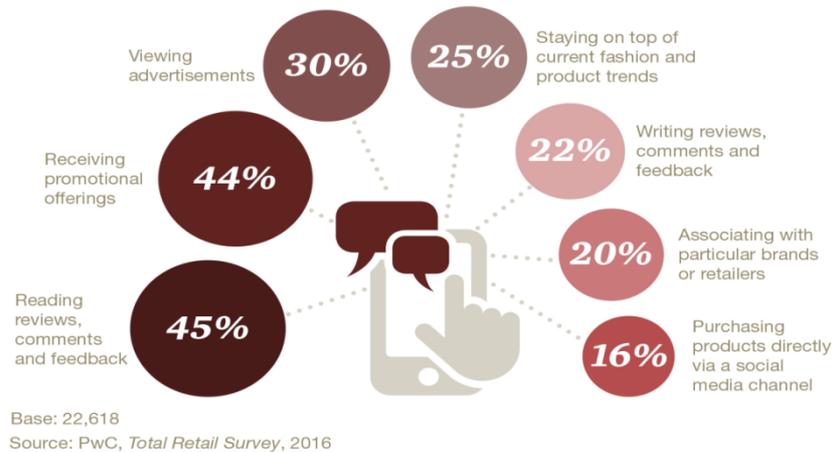
Trade has changed with the passage of time. Looking into our past, the only form of trade was the Barter System. People used to exchange goods with no monetary transaction. However, the changes today brought us to another world, the web world. Customer don't have to go anywhere, simply go online, choose product and get billed electronically. The consumer buying behavior is being greatly influenced by the interaction of consumers with digital platforms. Now consumers are increasingly looking for convenience and choice. The online features like reviews, product assortment and suggestions have empowered consumers to make their buying decisions. This study strives to sketch out the changing trends in retail management. The objective of this research is intended to study changing scenario of retail shopping in today's modern world with reference to digital tool usage by consumers in Nagpur city. The Research methodology adopted for study is survey research based on Likert scale and chi square statistical technique is used for hypothesis testing. In the first part, we have discussed briefly about retail management. Then, we have discussed the about changing scenario of retail shopping and digital tools. Then, we have studied the factors that influence consumers' choice of the retail.

Keywords- *web world, digital platforms, retail management, reviews, product assortment*

INTRODUCTION

The world of retailing continues to change rapidly as interaction between the physical and the digital world opens up new business opportunities and challenges that were hard to imagine just decade ago. Digital platforms are changing the fundamental workings of many businesses. Technology has fundamentally transformed the way industries such as music, books and video operate. With a continually increasing rate, people are becoming Techno savvy each day. There has been a sharp increase in the number of people using internet and mobile applications as their primary information source. This changing trend is forcing manufacturers to embrace internet based digital technology as a means of communication and to come up with new, creative ways to capture the attention of wider markets. Many companies have discovered that the Internet offers a cost effective means of outreach. Social media is playing an indispensable element in influencing online shopping decisions.

Q: Which of the following aspects of social media influence your online shopping behaviour?



REVIEW OF LITERATURE

According to a report published by Bain (2012, p.3), “mobile digital devices and social networks are revolutionizing how consumers shop and what they expect, and how retailers operate”.

The rapid speed of technology development and rising adoption of mobile digital devices on a global scale, such as smartphones and tablets, have a profound transforming impact on consumer behavior and retail businesses at large (Bain, 2012; Nielsen, 2013).

Apart from mobile digital technologies, some other technological innovations introduced in the retail industry include Quick Response (QR) codes, electronic price tags, digital advertising displays, self-checkout systems, personal selling assistants, smart kiosks, and an overall interconnection of all of these innovations with social media platforms and retailers’ customized platforms and applications (Krafft & Mantrala, 2010).

Mobile devices used to be a pre-purchase tool, for activity such as researching products and prices. Now, they’re increasingly being used to make the purchase itself. PwC’s Total Retail Survey 2016 found that 34% of shoppers say their mobile device is now the preferred shopping tool.

King and Liou proposed a framework for evaluating the performance of retailing website. The framework consists of two facets of indicators, the user facet and the business facet. The user facet is made up with availability, customer loyalty, etc. And the business facet is made up with strategic position, complementarities, etc.

Moreover, Alexis, Noreen, and Jiang reviewed the extant IT, such as PC, PDA, and mobile phone. They predicted that more and more new IT will be introduced into Internet retailing. For example, the virtual reality is in prospect, giving customers a better shopping experience.

RESEARCH METHODOLOGY

Research Design: Type of Study

This research tries to describe the opinion of the respondents on the selected topic. Although the design is called as descriptive, the part of the study related to collection of

secondary data; does include exploration which has helped in formulating the hypothesis and objectives of this research.

Objectives of the Study

1. To analyze the impact of digital tools on consumer buying behavior
2. To study the awareness of digital tools in Nagpur city consumers.
3. To analyze the influence of digital tools in purchase decision.
4. To study the changing trends in retail management
5. To study the changing scenario of retail shopping and digital tools
6. To analyze the factors that influence consumers' choice of the retail.

Hypothesis of the Study

1. H1: There is a significant relationship between the age of consumer and the awareness about digital tools
2. H2: That there is a significant difference between occupation of shoppers and the preferred shopping tool.
3. H3: There is a relationship between the monthly income of respondents and the digital tools for retail shopping
4. H4: That there is a significant difference of impact of digital tools on males and females

Scope of the Study

The suggestion from the study is based on the responses given by the consumers in a specific area. This study will be helpful in getting an insight into the impact of digital tool on retail shopping in customer buying decision.

Limitation of the study

This study is undertaken in particular region (Nagpur city) accurate results on the variables could not be able to obtain. The study is for time period of year 2017. There exists a future scope to analyses the impact of digital marketing on customer purchase decision for a wider geographic area and more sample size to obtain more accurate results

Methods & Sources of Data Collection/Methods of Investigations:

The present study is exploratory. The present study is empirical in nature as it tries to collect the first hand information from the universe and analyze the same in the later stage.

Both primary and secondary data has been used for the purpose of this study.

Primary data: Primary data is collected with the help of a structured questionnaire the same is finalized after conducting a pilot study.

1. Questionnaire Technique.
2. Personal interview.

Secondary data: The secondary data is collected from various published sources such as books, journals, newspapers, websites etc.

Sampling technique –

Sampling Design: Data is collected from both primary and secondary data through Questionnaire method, interviews. The Primary data is collected as already pre-tested

schedules keeping in mind the objectives of the study. Total 100 customers are covered demographically.

Sampling frame: individuals between below 20 years age to above 60 years.

Sampling unit: individuals following into class of student, service, business, housewife and retired in Nagpur city

Sample area: The venue of the present study was conducted in Nagpur city

Sample size: 100 respondents.

Sampling method: simple random method

Respondents: consumers buying consumer goods

Tool of Data Analysis

Data was collected through structured questionnaire by using non comparative scaling technique Likert scaling is used in the questionnaire

The data analysis and processing is analyzed on the basis of objectives by applying chi- square statistical techniques.

CHANGING TRENDS IN RETAIL MANAGEMENT

A century and a half ago, the growth of big cities and the rise of railroad networks made possible the modern department store. Mass-produced automobiles came along 50 years later, and soon shopping malls lined with specialty retailers were dotting the newly forming suburbs and challenging the city-based department stores. The 1960s and 1970s saw the spread of discount chains—Walmart, Kmart, and the like.

Each wave of change doesn't eliminate what came before it, but it reshapes the landscape and redefines consumer expectations, often beyond recognition. Retailers relying on earlier formats either adapt or die out as the new ones pull volume from their stores and make the remaining volume less profitable. "Evolve-or-die": that is the ultimatum that is impacting retailers as emerging technology platforms have created new customer behaviors and competitors.

Today retailers are not sticking to traditional methods of promoting a sale but personal selling door-to-door selling, free home delivery and payment through plastic money have emerged and is being widely used.

Use of advanced technology is not the matter of affordability but is the reason for survival. Retailers are using computers, electronic devices, check out scanning systems, use of Plastic Money, tag guns, vending machines, money counters and digital signage to enhance store's productivity. CCTVs, cameras, sensors and theft alarms are being used to prevent store theft. Retailers across the board adopt mobile payment solutions.

The 7 Emerging Trends that are Changing Retail:

1. Digital in-store experiences
2. Big data becomes more accessible
3. Omni-channel is prevalent
4. Social is the new e-commerce
5. Retailers take control of the value chain
6. Redefining the retail experience
7. Retail becoming borderless

CHANGING SCENARIO OF RETAIL SHOPPING AND DIGITAL TOOLS

Considering consumer trends, brick and mortar retailers are moving online to support their offline sales, and online retailers are opening brick and mortar stores to support online sales. This is usually referred to as a multi-channel or omni-channel approach. It reflects the fact that retailers will be able to interact with customers through countless channels—websites, physical stores, kiosks, direct mail and catalogs, call centers, social media, mobile devices, gaming consoles, televisions, networked appliances, home services, and more.

Research indicates that those who adopt this approach early will be rewarded. SMS and Web/Wireless Application Protocol (WAP) remain the dominant access technologies throughout the world.

The introduction of new technology can have an immense impact on the overall retail store shopping experience. A wise application of modern technology in retail can lead to enhanced customer convenience, service, and time savings that time-sensitive customers are likely to appreciate and welcome.

Firstly, the customer is not subject to long lines at the checkout and does not waste time. Secondly, the customer is well-informed of current store sales and product offerings. Thirdly, the customer discovers new products and product information which piques interest and translates into higher spending and profit per customer.

Traditional retailers have suffered more than they probably realize at the hands of Amazon and other online companies. The first part of any strategy is facing reality. Retailers must acknowledge that the new technologies will get faster, cheaper, and more versatile. They need to forecast the likely digital density in their categories and prepare for the effects.

FACTORS THAT INFLUENCE CONSUMERS' CHOICE OF THE RETAIL

Consumers' shopping habits have changed over the past decade. Most shoppers feel that convenience; Modernization and Virtual Reality are three factors that have significant impact on their store preference in future.

The use of digital technology to research, browse and purchase has gone from segment-specific or sporadic to mainstream. Customers make purchase decisions out of stores, e.g. by reviewing the retailer's website and checking this week's offers, by reading user and expert reviews on online or by consulting their friends about recent purchases they have made either online or in a bricks-and-mortar store. Customers also decide what to buy when they are already in the store.

Another crucial benefit associated with this technology relates to the time that customers spend waiting in lines and then at the cash register before the payment process is finalized. From full price transparency to mobile alerts and social sharing, retail has become much more dependent on technology and social media influences.

- **Convenience:** Online shopping is much more convenient than offline shopping since it saves time, reduces physical energy and mental fatigue.
- **Previous online experience:** How has been a person's experience in past as far as online shopping is concerned is a major story of concern.
- **Pricing Policy:** Online retailers gets an inherent advantage in pricing as they don't have to bear expenses like store rent, bills etc. They can pass their price directly to customer and generally offer a lower price to customer than offline market.

- **Tangibility Risk:** When customer buys products from online shopping they do not touch or feel the product in a physical sense so there is an element of risk.
- **Quality:** The quality of product at online sites and offline stores vary a lot and then this determines the frequency of online shopping. Quality also carries good affecting nature over any kind of shopping.
- **Anxiety:** People's anxiety of exploring the sites and experimenting over them is also a matter of concern.
- **Online trust:** It depends on customer perception whether they trust a particular site and its product and services. Hence, the frequency of online shopping also depends upon whether they trust a particular site or not.
- **Delivery time:** The product ordered by the customer in online shopping takes a minimum of six to seven days to deliver the product to the customer.
- **Income:** The person whose income is more, do more online shopping as compared to the person whose income is less. Income plays a major role to purchase online products.
- **Taste and preference:** The taste and preference of the customer vary from customer to customer and time to time, taste and preference also a factor which influences online shopping.
- **Information:** The information given in the site may not be correct or may not be appropriate information. The full information about the quality of the product may not reach to the customer. Hence, it will affect the online buying of the customer.
- **Variety:** The kind of variety that a customer gets online is hard to match any product purchased offline.
- **Discreet shopping:** While buying some products like undergarments, customers don't feel comfortable to purchase it in offline store. Shopping online is discreet and some online portals also provide discreet shopping.
- **Offers:** Apart from offering products at lower price most online shopping regularly come up with discount offers in association with bank, brand etc.
- **Instant gratification:** Customer buying offline gets their products as soon as they pay for it but in online shopping customer have to wait for their product to get their product.
- **Availability of product and services:** Online shopping offer customers more benefit by providing more variety of goods and services that they can choose from. There are some goods which a customer can only find online.

DATA ANALYSIS & FINDINGS

1. H1: There is a significant relationship between the age of consumer and the awareness about digital tools

Results						
DIGITAL TOOLS	AGE (years)					Row Totals
	below 20	20-30	30-40	40-50	50 & above	
Social Media	5 (4.16) [0.17]	9 (8.06) [0.11]	6 (6.76) [0.09]	5 (4.68) [0.02]	1 (2.34) [0.77]	26
Website	3 (3.52) [0.08]	6 (6.82) [0.10]	6 (5.72) [0.01]	4 (3.96) [0.00]	3 (1.98) [0.53]	22
Mobile	4 (3.52) [0.07]	9 (6.82) [0.70]	5 (5.72) [0.09]	3 (3.96) [0.23]	1 (1.98) [0.49]	22
E-mail	2 (2.88) [0.27]	3 (5.58) [1.19]	6 (4.68) [0.37]	4 (3.24) [0.18]	3 (1.62) [1.18]	18
Others	2 (1.92) [0.00]	4 (3.72) [0.02]	3 (3.12) [0.00]	2 (2.16) [0.01]	1 (1.08) [0.01]	12
Column Totals	16	31	26	18	9	100 (Grand Total)

Source: Primary Data

Interpretation:

The chi-square statistic is 6.6743. The p-value is .97904. The result is not significant at $p < .05$. Since the P-value (.97904.) is more than the significance level (0.05), we accept the null hypothesis. Thus, we conclude that there is no significant relationship between the age of consumer and the awareness about digital tools

2. H2: That there is a significant difference between occupation of shoppers and the preferred shopping tool.

Results						
SHOPPING TOOLS	OCCUPATION					Row Totals
	Business	Professionals	Students	Housewife	Retired	
Dealer Store	12 (7.48) [2.73]	4 (5.06) [0.22]	1 (3.30) [1.60]	3 (4.84) [0.70]	2 (1.32) [0.35]	22
Company Websites	8 (7.48) [0.04]	6 (5.06) [0.17]	3 (3.30) [0.03]	4 (4.84) [0.15]	1 (1.32) [0.08]	22
Online Shopping Websites	6 (6.12) [0.00]	4 (4.14) [0.00]	4 (2.70) [0.63]	3 (3.96) [0.23]	1 (1.08) [0.01]	18
Mobile Apps	7 (9.86) [0.83]	8 (6.67) [0.27]	6 (4.35) [0.63]	7 (6.38) [0.06]	1 (1.74) [0.31]	29
Telemarketing	1 (3.06) [1.39]	1 (2.07) [0.55]	1 (1.35) [0.09]	5 (1.98) [4.61]	1 (0.54) [0.39]	9
Column Totals	34	23	15	22	6	100 (Grand Total)

Source: Primary Data

Interpretation:

The chi-square statistic is 16.0637. The p-value is .448527. The result is not significant at $p < .05$. Since the P-value (.448527) is more than the significance level (0.05), we accept the null hypothesis. Thus, we conclude that there is a significant difference between occupation of shoppers and the preferred shopping tool.

3. **H3:** There is a relationship between the monthly income of respondents and the Digital tools for retail shopping

Results						
DIGITAL TOOLS	INCOME					Row Totals
	less than 10000	10000-20000	20000-30000	30000-40000	more than 40000	
Social Media	2 (4.86) [1.68]	12 (9.72) [0.53]	9 (8.64) [0.01]	2 (2.16) [0.01]	2 (1.62) [0.09]	27
Website	3 (3.96) [0.23]	9 (7.92) [0.15]	8 (7.04) [0.13]	1 (1.76) [0.33]	1 (1.32) [0.08]	22
Mobile	4 (4.32) [0.02]	10 (8.64) [0.21]	7 (7.68) [0.06]	2 (1.92) [0.00]	1 (1.44) [0.13]	24
E-Mail	3 (2.16) [0.33]	3 (4.32) [0.40]	4 (3.84) [0.01]	1 (0.96) [0.00]	1 (0.72) [0.11]	12
Others	6 (2.70) [4.03]	2 (5.40) [2.14]	4 (4.80) [0.13]	2 (1.20) [0.53]	1 (0.90) [0.01]	15
Column Totals	18	36	32	8	6	100 (Grand Total)

Source: Primary Data

Interpretation:

The chi-square statistic is 11.3854. The p-value is .785098. The result is not significant at $p < .05$. Since the P-value (.785098) is more than the significance level (0.05), we accept the null hypothesis. Thus, we conclude that there is a relationship between the monthly income of respondents and the Digital tools for retail shopping

4. **H4:** That there is a significant difference of impact of digital tools on males and females

Results						
GENDER	OPINION					Row Totals
	Strongly agree	Agree	No opinion	Disagree	Strongly disagree	
Male	29 (30.25) [0.05]	22 (20.35) [0.13]	2 (2.20) [0.02]	1 (1.10) [0.01]	1 (1.10) [0.01]	55
Female	26 (24.75) [0.06]	15 (16.65) [0.16]	2 (1.80) [0.02]	1 (0.90) [0.01]	1 (0.90) [0.01]	45
Column Totals	55	37	4	2	2	100 (Grand Total)

Source: Primary Data

Interpretation:

The chi-square statistic is 0.4929. The p-value is .974189. The result is not significant at $p < .05$. Since the P-value (.974189.) is more than the significance level (0.05), we accept the null hypothesis. Thus, we conclude that there is no significant difference of impact of digital tools on males and females

FINDINGS OF THE STUDY

- Analysis of data on the basis of Chi-square test shows that the people are aware of digital tools irrespective of their age
- The study reveals after using Chi-square test that the occupation of the people is not associated with the choice of preferred shopping tool.
- By analyzing the collected data from the survey using Chi-square test, it is found out that there is not much role of monthly income of the people associated with the Digital tools for retail shopping.
- Finally the study reveals after using Chi-square test that there is no significant difference of impact of digital tools on males and females.

CONCLUSION

The study is made particularly in Nagpur city, the results of the study concludes that people are aware of the digital tools irrespective of their age .i.e. respondents of all age group are aware of digital tools of online shopping.

The study reveals that the occupation of the people is not associated with the choice of preferred shopping tool, where respondents of any occupation prefer any shopping tool from Dealer Store, Company Websites Online Shopping Websites Mobile Apps, and Telemarketing for shopping purpose

While the role of monthly income of people does not play much role in choosing a kind product they buy through digital channels. Finally it is concluded that there is no significant difference of impact of digital tools on males and females, both genders are more or same equally influenced by digital marketing

Continued increases in mobile adoption and broadband penetration, particularly in the developing regions, have helped boost online sales. Digital retailing is quickly morphing into something so different that it requires a new name: omnichannel retailing. Unless conventional merchants adopt an entirely new perspective, one that allows them to integrate disparate channels into a single seamless omnichannel experience, they are likely to be swept away. Just around the corner, the digital tools will influence more in the consumer buying decision which evident from the consideration for digital tools among customers.

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STUDY OF STRESS MANAGEMENT AMONGST DOCTORS AND NURSES OF SHRI KRISHNA HRUDAYALAYA HOSPITAL, NAGPUR

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Abstract:

Occupational stress has become a topic of great interest to academic researchers and to the general public as well. In psychology; stress is a feeling of strain and pressure. A health professional, health practitioner or healthcare provider is an individual who provides preventive, curative, promotional or rehabilitative health care services in a systematic way to people, families or communities. These practitioners are none other than doctors, nurses, lab technicians, pharmacist, counselors, therapists and other assistants. Work stress is an important problem that affects physicians. Multiple sources can contribute to this problem. The researchers aimed to study the organizational stress among doctor and nurses of Shri Krishna Hrudayalaya and Critical Care Centre and to understand the causes and remedies to stress. The sample comprised of Doctors and Nurses in Shri Krishna Hrudayalaya & Critical Care Centre. The effective sample comprised of 50 subjects made of 25 Doctors and 25 Nurses. The methods of gathering information were Questionnaire and interview with the HR manager. The research had some limitations as it was based on the data provided by the employee's organization. Some employees give positive response and some gave negative response towards the research, also it was limited for only one hospital in Nagpur region. The findings of the study say that 68 % of doctors and 38 % of Nurses of hospitals have marginal stress and they need to follow stress management strategies. 10% Male doctors were found in severe stress while 30% nurses were found with extreme stress. Gender played crucial role in doctors were 58% male doctors and 55% female doctors were found with mild stress. And in nurses it was found that 75% male Nurses and 25% female Nurses were found in extreme stress. Overall it has been concluded that the total staff of Shri Krishna Hrudayalaya & Critical Care Centre was in mild stress due to working hours and unwanted night shifts. The research paves way for further study on work life balance and role of hospital management in allotting shifts and managing ever rising number of patients.

INTRODUCTION

Modern Hospitals need to address improving the patient experience not as a short term fix but as a long term strategic goal that leads to continued progress of the hospital. "Improving patient satisfaction is key to future survival", says Tequia Burt, (2006) in his book. The purpose of the study is to visualize the work related stress among amongst Doctors and Nurses of Shri Krishna Hrudayalaya Hospital, Nagpur. Apart from Physicians and Doctors who manage the health chain within hospitals, the nursing care profession is the key difference between efficient and inefficient hospital care both at personal and collective levels. This study seeks to investigate the existence of any such tension/stress on the job for the doctors and nurses in hospital. Existence of stress is obviously going against the ideal and smooth functioning expected of a well administered hospital.

The ultimate goal of human life is to attain peace and live a happy life. “I am more and more convinced that our unhappiness depend far more on the way we meet the events of life than on the nature of those events themselves.”

In psychology, **stress** is a feeling of strain and pressure. Small amounts of stress may be desired, beneficial, and even healthy. Positive stress helps improve athletic performance. It also plays a factor in motivation, adaptation, and reaction to the environment. Excessive amounts of stress, however, may lead to bodily harm. Stress can increase the risk of strokes, heart attacks, ulcers, dwarfism, and mental illnesses such as depression.

Such stress raises the level of adrenaline and cortisol hormones in the body, which in turn increases the heart-rate, respiration and blood-pressure and puts more physical stress on bodily organs

In this context, the term 'stress' refers only to a stress with significant negative consequences, or distress in the terminology advocated by Hans Selye, rather than what he calls eustress, a stress whose consequences are helpful or otherwise positive.

REVIEW OF LITERATURE

All over the world, there is a growing interest on “Role stress in healthcare professionals.” Different studies have been undertaken in other countries as well as in India to investigate the problem of role of stress among healthcare workers. These studies have demonstrated and illustrated that job of healthcare workers is highly stressful.

Swanson & Power, 1999 conducted a comparative study between perceived stress, satisfaction and conflict for professional male and female doctors in National Health Service in Scotland. The study came with the result that the work of male doctors is more stressful and less satisfying than females.

A British Medical Association (BMA) report, 2000 suggests that many senior doctors suffer high levels of stress as a result of their work which directly hampers their ability to provide high quality care to patients.

Pestonjee (1999) while analyzing stress among special occupational groups reviewed role stress and job satisfaction among doctors. He studied the relationship between these two variables. The result of the study revealed that job satisfaction correlated negatively with all the dimensions of role stress. The role stress among 150 doctors, with specialties in Gynaecologists, Ophthalmologists, and Surgeons, from private hospitals and nursing homes of Aligarh city was conducted by Hussain and Singh (2002). In this study the gynaecologists and surgeons scored significantly higher than the Ophthalmologists on perceived stress effects. Thus, they came to the conclusion that the surgery or performing an operation is the source of stress for both gynaecologists and surgeons. In another study which was also conducted by Hussain (2001) among 200 doctors. He represented four different fields of specialization, namely: Anaesthesia, Gynaecology, Ophthalmology and Surgery. The findings of the study indicate that the stress effects associated with stressful situations do not influence psychological wellbeing among these groups of doctors. In a study HIRAK DASGUPTA and SURESH KUMAR (2009) surveyed one hundred and fifty doctors in a government hospital in Shimla and examined the stress level among male and female doctors in the hospital. The study found that there is no difference between the stress levels among male and female doctors except in case of the factors- Inter-role distance and Role inadequacy. And in these factors, the stress level among female doctors is much more than male doctors.

Hingley P. (1984) reveals Nursing is, by its very nature, an occupational subject to a high degree of stress. Every day the nurse confronts stark suffering, grief, and death as few other

people do. Many nursing tasks are mundane and under warding. Many are, by normal standards, distasteful, even disgusting, others are often degrading; some are simply frightening

A study was conducted by **Healy, McKay (1999)** to identify what the nurses perceived as the major causes of stress in the workplace using a standardized questionnaire Nursing Stress Scale (NSS) by Gray Toft and Anderson James (1981), and by way of written reports. Level of job satisfaction was measured using the Nursing Stress Index by Harris, Hingley and Cooper (1988). Results showed that the nurses rated their workload as highly stressful in terms of both frequency of its occurrence and its perceived effect upon themselves. A expected, higher levels of reported nursing stress were associated with lower levels of job satisfaction. Analyses of the written descriptions of a recent stressful work episode provided by 66 of the nurses included examples of relevant nursing stressors that were not covered by the NSS.

In a study by **Kirkcaldy, Martin (2000)** involving 276 nurses in a large hospital in Northern Ireland, a comprehensive set of questionnaire was administered to assess multiple job-related variables. Nurses in general appeared to display high scores on the stresses related to confidence and competency in role, home-work conflict, and organizational involvement. These are stresses which were related to psychological well-being. There were no gender differences on occupational stress or the health outcome variables. Grade of nursing was unrelated to job stress and outcome health variables, including work satisfaction. Although no differences were observed between wards and stress, differences were revealed along satisfaction at work, and surgical nurses showing the lowest.

Lu, While, Barriball (2007) conducted a cross-sectional survey exploring nurses views and experience regarding their working lives in China. A total of 512 hospital nurses in Beijing participated in the study in 2004, representing a response rate of 81%. There was a negative relationship between nurses, job satisfaction and intention to leave their current hospitals, which was mediated by age ($p < 0.05$). About 40% of the variance in job satisfaction could be explained by the set of independent variables including organizational commitment, occupational stress, and professional commitment. In addition both nurses role perception and actual role content influenced job satisfaction as well as occupational stress, role conflict and role ambiguity ($p < 0.05$). Nurses educational level was also a factor related to role perception, professional commitment and role conflict ($p < 0.05$).

Tyson, Paul D.; Pongruengphant, Rana⁷⁰ In their article titled, “**Five-year follow-up study of stress among nurses in public and private hospitals in Thailand**”, (2004) examined the sources of occupational stress, coping strategies, and job satisfaction. A sample of 200 nurses was compared to 147 nurses sampled from the same hospital wards after 5 years and revealed a significant increase in nurses’ workload, involvement with life and death situations, and pressure from being required to perform tasks outside of their competence. Although nurses working in public hospitals generally reported more stress than private hospitals, surprisingly nurses’ satisfaction with their job increased particularly in public hospital, improvements in monetary compensation, and organizational support.

On the basis of the review of these studies, it can be drawn that stress always effect efficiency and performance of the doctors working in hospitals. Administrators and consultants have identified a number of factors responsible for role stress among doctors. There is a need to provide attractive working conditions for minimizing the stress level among the doctors so that their efficiency may be increased.

What is stress?

Stress is a part of day –to –day living of every individual. The reason for the stress differs from person to person.

We can define stress “body’s non-specific response to any demand made on it”. Stress is not definition synonymous with nervous tension or anxiety. Stress is simply a reaction to a stimulus that disturbs our physical or mental equilibrium. In other words, it's an omnipresent part of life. A little bit of stress, known as “acute stress,” can be exciting—it keeps us active and alert. But long-term, or “chronic stress,” can have detrimental effects on health. You may not be able to control the stressors in your world, but you can alter your reaction to them.

Types of stress

Acute stress :-

Acute stress is the most common type of stress. It’s your body's immediate reaction to a new challenge, event, or demand, and it triggers your fight-or-flight response. As the pressures of a near-miss automobile accident, an argument with a family member or a costly mistake at work sink in, your body turns on this biological response. Acute stress isn't always negative.

Episodic acute stress:-

When acute stress happens frequently, it’s called episodic acute stress. People who always seem to be having a crisis tend to have episodic acute stress. They are often short-tempered, irritable, and anxious. People who are “worry warts” or pessimistic or who tend to see the negative side of everything also tend to have episodic acute stress.

Chronic stress

If acute stress isn't resolved and begins to increase or lasts for long periods of time, it becomes chronic stress. This stress is constant and doesn't go away. It can stem from such things as:

- poverty
- a dysfunctional family
- an unhappy marriage
- a bad job

Chronic stress can be detrimental to your health, as it can contribute to several serious diseases or health risks, such as:

- heart disease
- cancer
- suicide

What Causes Stress?

Many different things can cause stress -- from physical (such as fear of something dangerous) to emotional (such as worry over your family or job.) Identifying what may be causing you stress is often the first step in learning how to better deal with your stress. Some of the most common sources of stress are:

Survival Stress –

You may have heard the phrase "fight or flight" before. This is a common response to danger in all people and animals. When you are afraid that someone or something may physically hurt you, your body naturally responds with a burst of energy so that you will be

better able to survive the dangerous situation (fight) or escape it all together (flight). This is survival stress.

Internal Stress –

Have you ever caught yourself worrying about things you can do nothing about or worrying for no reason at all? This is internal stress and it is one of the most important kinds of stress to understand and manage

Environmental Stress –

This is a response to things around you that cause stress, such as noise, crowding and pressure from work or family. Identifying these environmental stresses and learning to avoid them or deal with them will help lower your stress level.

Fatigue and Overwork –

This kind of stress builds up over a long time and can take a hard toll on your body. It can be caused by working too much or too hard at your job(s), school, or home

SYMPTOMS OF STRESS

There are number of biological, psychological and be Behavioral changes which can be symptomatic of stress.

BIOLOGICAL SYMPTOMS:-

- Lack of appetite
- Craving for food when under pressure
- Constant tiredness
- Insomnia
- Tendency to sweat for no good reason
- Headaches
- Nail biting
- Breathlessness without exertion
- Cramps and muscles spasms
- High blood pressure
- Frequent indigestion
- Frigidity or impotency

PSYCHOLOGICAL SYMPTOMS:

- Negativism
- Dissatisfaction
- Inability to concentrate
- Inner confusion about duties and roles
- Anxiety and depression
- Tendency to misjudge people
- Inability to make decision
- Procrastination
- Intolerance towards ambiguity
- Resignation and so on.

BEHAVIOURAL SYMPTOMS:

- Feeling unable to cope
- Lack of interest in life

- A feeling of being bad or self hatred
- Feeling of ugliness
- Dread of future
- Feeling of neglect
- Loss of sense of humored
- A feeling of being target of other people's animosity
- The inability to finish the one task before rushing on to the next

What Is Stress Management?

Our increasingly busy lives cause our minds a lot of stress. Stress is mental tension caused by demanding, taxing or burdensome circumstances. Stress management consists of making changes to your life if you are in a constant stressful situation, preventing stress by practicing self-care and relaxation and managing your response to stressful situations when they do occur.

Before we move on to stress management techniques, it's important to note that not all stress is bad. Stress is actually a survival response when our body thinks that it is in danger. That is why our sympathetic nervous system kicks in and makes our heart rate increase and gives us a burst of the energy hormone, adrenaline, so that we can deal with whatever situation is being thrown at us.. That's why stress management is tremendously important for our healthy, quality of life and relationships.

Benefits of Stress Management :-

Stress management is beneficial to reduce blood pressure, heart disease, digestive troubles and many more physical ailments. It also helps improve sleep, mental health, cognition and libido. There are simply too many benefits to list them all

Change the Stressful Situation :-

The first thing that you need to consider when encountering a short- or long-term stressful situation is, 'Can I change the situation so that it does not cause me stress anymore?' There is a quote by a famous spiritual leader, Eckhart Tulle that says, 'When you complain, you make yourself the victim. Leave the situation, change the situation or accept it. All else is madness.'

Managing stress

Stress affects each person differently. Some people may get headaches or stomachaches, while others may lose sleep or get depressed or angry. People under constant stress may also get sick a lot. Managing stress is important to staying healthy.

It's impossible to completely get rid of stress. The goal of stress management is to identify your stressors. The Centers for Disease Control and Prevention recommend the following to help cope with stress:

- Take care of yourself, by eating healthy, exercising, and getting plenty of sleep
- Find support by talking to other people to get your problems off your chest
- Connect socially, as it's easy to isolate yourself after a stressful event
- Take a break from whatever is causing you stress
- Avoid drugs and alcohol, which may seem to help with stress in the short term, but can actually cause more problems in the life.

Research Methodology

Research is scientific a systematic search for permanent information on a specific topic. Research is an original contribution of existing stock of knowledge, for making advancement.

Research methodology is the way of systematically solving the research problem. It may be understood as a science of studying how research is done scientifically. In this we study the various steps that are generally adopted by researcher in studying his research problem along with the logic behind them. It is necessary for the researcher to know not only the research. Methods/ techniques but also the methodology. A research design is simply a plan for the study in collecting and analyzing data. It helps the research to conduct study depending upon the study the research design is: depending upon the study the research design.

Objectives :-

As guidelines for carrying out the research work, following objectives were framed. Major objectives of the study are as follows:-

- To study the organizational stress among doctor and nurses of Shri Krishna Hrudayalaya and Critical Care Centre.
- Determine the concept of stress management and how they manage stress.

Sample of Study :-

The sample comprised of both Doctors and Nurses in Shri Krishna Hrudayalaya & Critical Care Centre. The effective sample was consisting of 25 doctors and 25 nurses.

Methods of data collections: Observation method and survey methods were used during research.

And other methods used were:

- Questionnaire
- Face to face interaction

Procedure of Data Collection :-

- Primary Data: primary data was collected through within the nurses or doctor of hospital through survey; personal interview and solving some test on stress.
- Secondary Data: secondary data means data which is already available .they refer to the data which have already be collected and analyzed by someone else .it may be publishing data.

It is collected through: Technical and trade journals books, magazines and newspapers also. Reports, past experiences, public record and statistics.

Variables under Study:

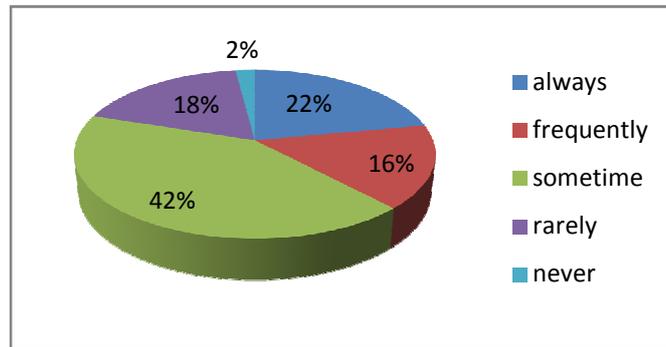
In the study, the factor of gender and designation were treated as independent variables, while stress was considered as dependent variables.

Limitations:

- The research will be based on the data provided by the employees' organization.
- During the project some employee give positive approach and some give negative response forward information
- The research will be limited for the Nagpur regionally

Q1. I discuss my feeling with others.

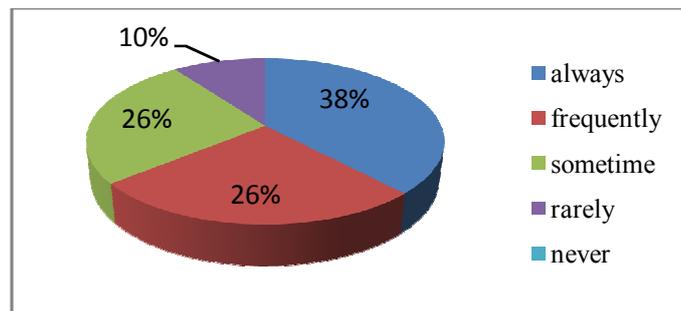
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



Interpretation: From the above Graph, we can interpret that 22% are interest to discuss their feelings with others on regular basis and it is totally depends upon their nature and family values. 16% people have been sharing their feeling on frequent basis. But, an average person shares their feeling sometimes. Only 2% who never shares their feeling with others and it causes of stress and depression more as compare to another.

Q 2. I feel comfortable in social situations.

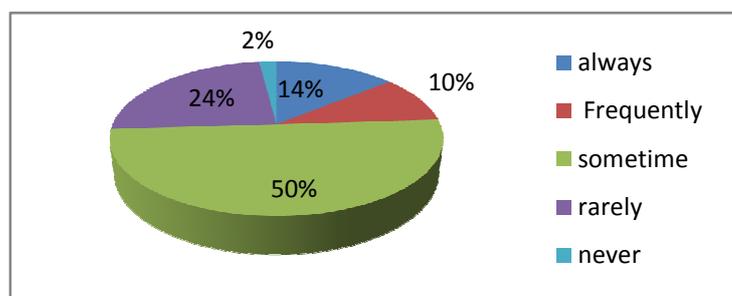
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



From the above graph and data collected we observed that 26% persons are comfortable -in social situation on frequent basis as well as some time. Most of the people always comfortable in social situation and are able to manage stress whereas very few are not comfortable in social situation rarely which leads to increase in stress amongst them.

Q 3. I feel nervous when I think about future

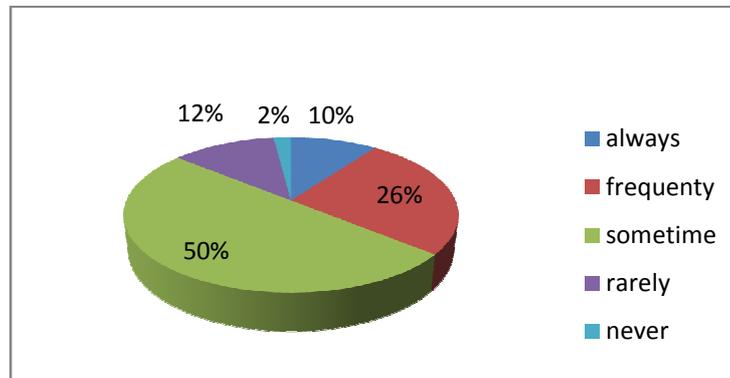
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



Interpretation: 50% of the people feel that sometimes they feel nervous when they think about future. Most of the times, people feel stress thinking about their future i.e. Jobs and family life. Therefore it is very important the organizations make people feel secure about their jobs.

Q4. I have difficulty to adjusting with any change in my personal life.

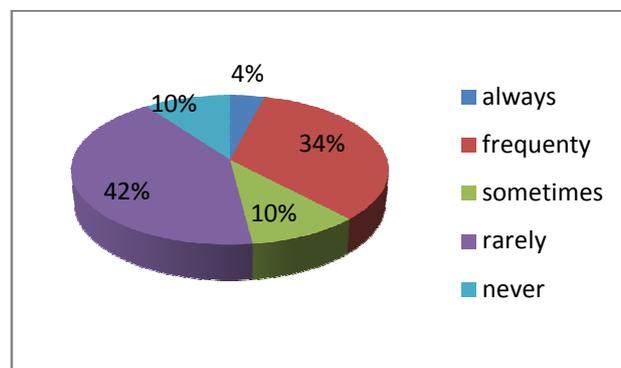
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



A huge group of the people facing difficulty sometimes when any change has come in their life but 10% is always in difficulty which causes stress and depression. Very few are able to face changes in personal life and get control over stress.

Q5. I experience muscle tension, upset stomach and headache.

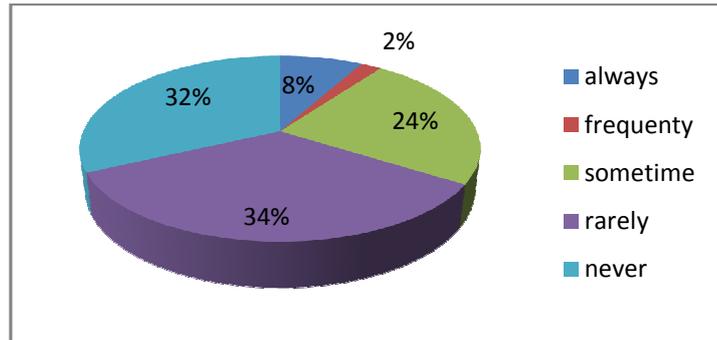
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



From the above data we can interpret that 34% people are frequently suffering from physical pain whereas most of the person are feeling same rarely. There are 2% who are suffering from physical pain always which shows the symptoms of stress. 10% person are able to manage stress and never suffering from physical pain.

Q6. I feel I am treated unfairly an overly critical way.

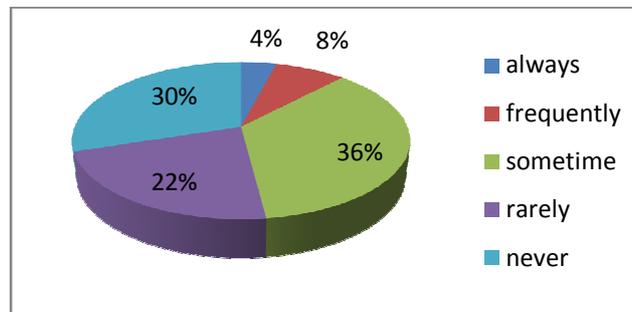
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



24% people were feeling that sometimes they treated unfairly an overly critical way, whereas in same condition 34 % people feel rarely and 32 % people never feel the same. If such situation happens in organization it creates stress. Therefore organizations make sure they treat everyone in a fair manner.

Q7. I would like to keep my feelings bottled up, until I eventually explode.

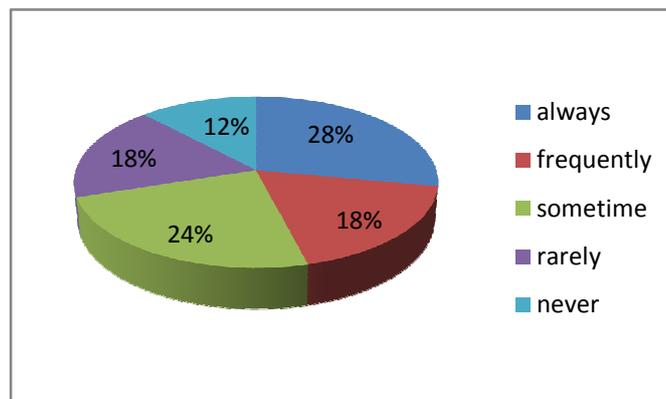
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



Form the above chart, it shows that a huge portion of the population try to hide their feeling until it will goes up to the extreme level. 22% persons are hiding their emotions sometime and remaining 30% are never trying to hide their feelings and live happy.

Q8. Making decision is stressful task for me.

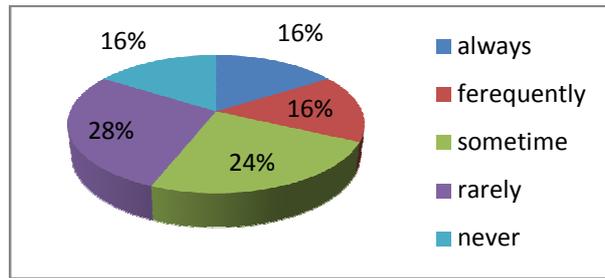
- a) Always b) Frequently c) Sometimes d) Rarely e)Never



28% person always getting stress during decision making process and for 18% taking decision is stressful task. Near about 24% feel stress while they have been taking any important decision? 12% are free from stress and they can take decision without any problem easily.

Q9 .My work interference my personal life.

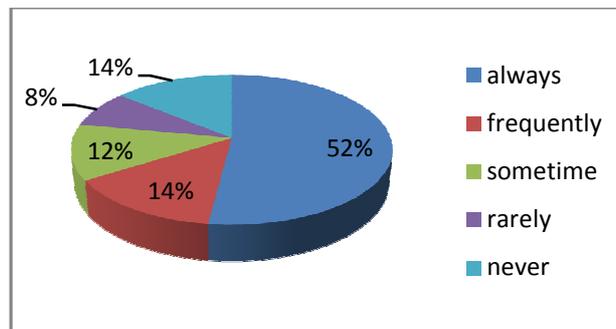
- a) Always b) Frequently c) Sometimes d) Rarely e)Never



16% people get disturbed frequently in their professional life due to personal life. 28% rarely get disturbed due to personal life. 16% belongs from those category who never ever get disturb in work life due to personal life.

Q10. I work more than 50 hours.

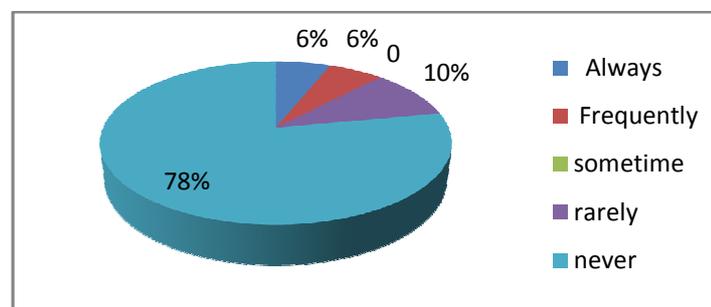
- a) Always b) Frequently c) Sometimes d) Rarely e)Never



Huge portion of the people are always doing work for more than 50 hours whereas 14% frequently and never. 12% are doing work more than 50 hours sometime and 8% are rarely. Those who are working for more than 50 hours would have been suffering from physical pain, stress and depression due to overwork.

Q11. I use alcohol, or other substance to get me through stressful time.

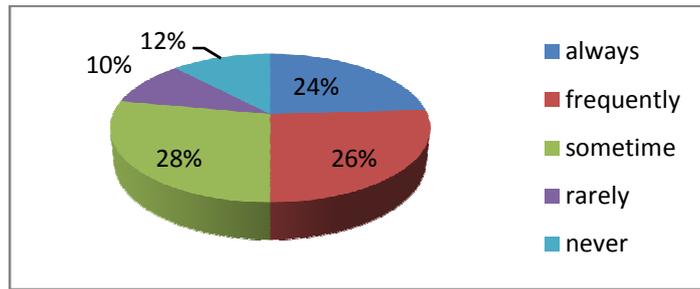
- a) Always b) Frequently c) Sometimes d) Rarely e)never



78% people never use addictive product in during stress but few people are using addictive produces to avoid stress. Most of the people managing stress level they don't get habited of addictive substances.

Q12. I am experience inconsistent sleep pattern.

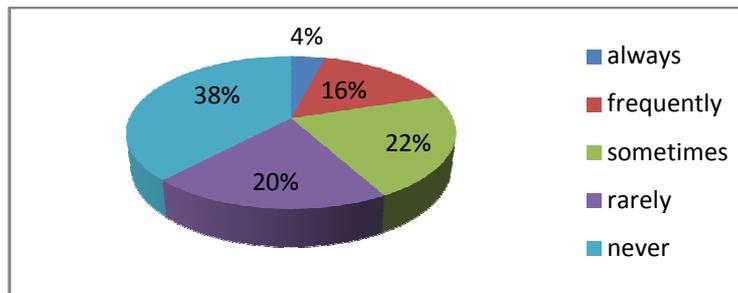
- a) Always b) Frequently c) Sometimes d) Rarely e)Never



24% people experiences inconsistent sleep pattern when they are suffering major stress as well as 28% peoples sometime they are feeling same. 12% people never feel inconcist sleep pattern when they are in stress .

Q13. My eating habits get changed whenever I feel myself enclosed by the problem.

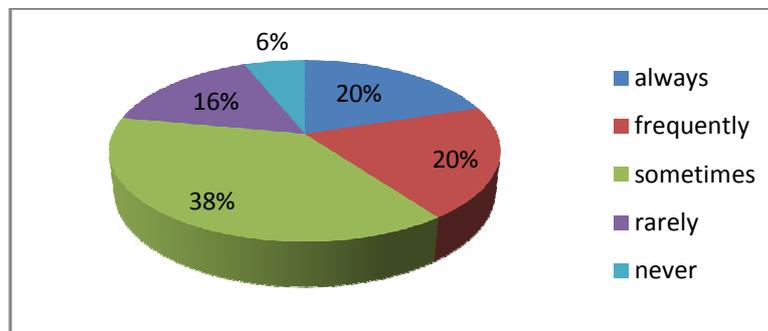
- a) Always b) Frequently c) Sometimes d) Rarely e)Never



Whenever people enclosed by the problems, they feel stress. In such situation generally eating habits get changed. Some people eat more in stress, whereas some people do not like to eat. In this manner 38 % people were replied that they never feel any change in their eating habits whenever they feel any kind of stress.

Q14. I make time in my schedule to exercise, relax, or engage in enjoyable activities.

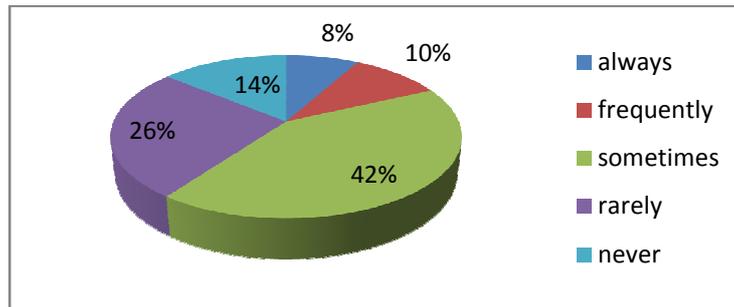
- a) Always b) Frequently c) Sometimes d) Rarely e)Never



Exercise, yoga, dancing, playing etc. are more fruitful remedies to cope up with stress. But as being a professional we get very few time for the same. In this scenario when people were asked, 38 % people replied that sometimes they manage their time for exercise and other activities which support them to keep themselves stress free.

Q15. I experience stress in relationship with my friends and family.

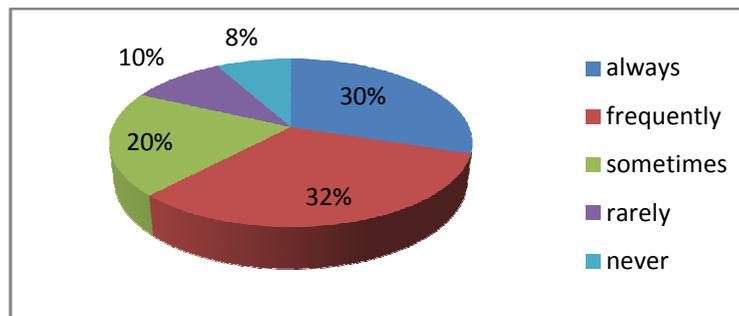
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



42 % people feel that sometimes they experience stress in relationship with their friends and family, whereas 14 % people denied the same. it means that they have strong understanding and bonding with their dear ones, which reflect in their healthy mental health.

Q16. I make time to connect with my love ones.

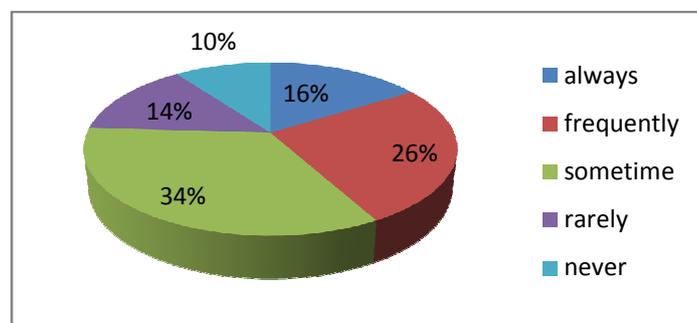
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



Above pie chart clearly tells us that 30% people always and 32% frequently spend their time with their favorable persons. Actually spending time with lovable persons is a good remedy to stay away stress.

Q17. I become a very irritable if things don't go my way.

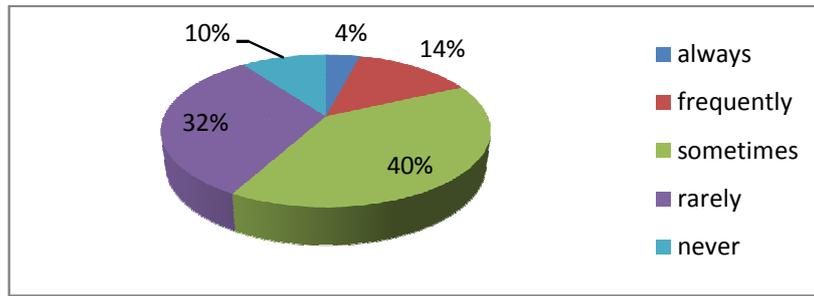
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



Figures mentioned in above pie chart clearly notify that 34% people sometimes become a very irritated if things do not go in their own way. If the condition do not favor individual then it will be the source of stress.

Q18. I feel lack of energy.

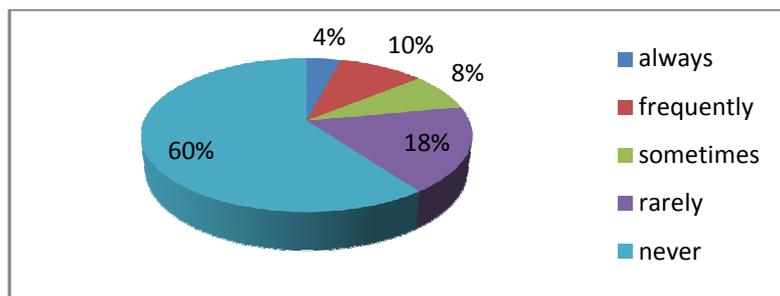
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



Every individual works with work ability and stamina, whenever work goes up than stamina, it produces some physical and mental problems, i.e. lack of energy. In this manner when people were asked about it, their responses were in this way, 40% people feel it sometimes, 32% feel rarely, 14% feel frequently whereas 10% people never feel lack of energy. Although, only 4% people were replied, they always feel lack of energy.

Q19. I bite my nails, grind my teeth and clenches my jaw.

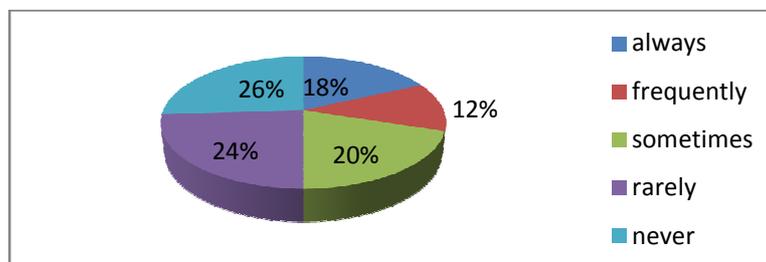
- a) Always b) Frequently c) Sometimes d) Rarely e) Never



Biting nails, grinding teeth and clenches jaw are the common symptoms of stress. In this scenario 60% people clearly said that they never do such kind of activities.

Q20. I feel worry about my current financial situation.

- a) Always b) Frequently c) Sometimes d) Rarely e) Never



Figures mentioned in above pie chart clearly shows that people had given mix responses when they were asked, whether they feel any worries about their financial situation, where 18% people were feel always, 12% frequently, 20% sometimes and 24% rarely feel worries about their financial situation, whereas 26% people denied to feel worries

related to their economic conditions. Doctors are earning handsome salary hence generally they do not experience such issues.

CONCLUSIONS AND FINDINGS:

- It has been found that 58 % doctors of hospitals have marginal stress.
- It has been found that 10 % doctors are not coping well, they are in stress zone and need to follow stress management strategies.
- Gender played crucial role, where 58 % male doctors were mild stress whereas 55% female doctors found in mild stress.
- 10% Male doctors were found in severe stress.
- It has been found that 38 % Nurses of hospitals have marginal stress.
- 30% nurses were found in extreme stress.
- Gender played vital role in the determination of stress, where 75% male Nurses were found in extreme stress whereas 25% female Nurses were found in stress.
- Overall it has been concluded that the total staff of Shri Krishna Hrudayalaya& Critical Care Centre is in mild stress. This may due to working hours and unwanted night shifts.

Suggestions:

As some employee of Shree Krishna Hospital found in stress, so that to deal with situation following suggestion are suggested:-

- It is recommended that the Hospital should give structured time table to employee so that they perform their best without any stress.
- It is recommended that it should focus more in giving stress management techniques to the age group of 25-35 probably due to inexperience.
- It is recommended to the hospital to take of appropriate measures in identifying and arresting the psychological problems, as psychological has a direct impact on health, the performance of employee will improve.
- It is recommended to the hospital authority to provide frequent counseling to the employees who are under stress.
- It is suggested that the employees should do some gardening work in their own houses to be stress free.
- It is suggested that employees should also have a friendly pet like dog or cat or parrot to find and share some happiness in their life.

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AN ANALYTICAL STUDY OF CHANGE IN BUSINESS ENVIRONMENT OF DIGITAL BANKING INDUSTRY AND CUSTOMER PREFERENCES.

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Abstract:

Digital Banking is the popular concepts used by almost nationalized and private banks. This move has created a competitive environment in the Indian market. Each person is going to be paperless, where he can do transaction online by using his mobile phone. There are some pros and corns of this move. Security is the vital aspect of the online banking. By adopting strong unbreakable security system can only helpful in this objective. Paper includes some facts about the digital banking.

Key Words: *Digital Banking, Internet Banking, Cash Recycler, E-lobby and Cash Management services, Multifunction Kiosk (MFK), Card Swapping*

Introduction:

In India banks are trying to focus on the digital banking solutions where most people in the banking industry agree that digital banking is the wave of the future. “Digital banking” often gets confused with mobile banking and online banking, and even multichannel banking. True, all these involve digital applications in one form or another. But what constitutes “digital banking,” or even a “digital bank” has yet to gain overwhelming agreement.

The views of what ‘digital’ means for banking are diverse, and there is little consensus in the industry. Banking industry is growing towards the Digital age. Government announced the “Digital India” policy where work is to be done digitally using various instruments like Mobile, tablets, laptops and Computers.

Digital Banking

“Digital banking is the incorporation of new and developing technologies throughout a financial services entity, in concert with associated changes in internal and external corporate and personnel relationships, to provide enhanced customer services and experiences effectively and efficiently.” In this paper researcher have included Digital banking services provided by Bank of Baroda and ICIC Bank-

Bank of Baroda provides various of Alternate Delivery Channels like ATM, Debit Card, Mobile Banking, Internet Banking, Cash Recycler, Self Services Passbook printer, E-lobby and Cash Management services and many new customer centric products. These Products helps customer in banking without actually walking into the branch. All the Digital Products have been offered to make banking experience smooth and save time & money. It Includes:

- Debit Cards
- Baroda Connect
- Mobile Banking (M-Connect)
- ATM
- E lobby
- Cash Recycler
- Self Service Passbook Printers(SSPBP)

- Multifunction Kiosk (MFK)
- Contact Centre
- Web Chat Services
- Prepaid Cards
- IPG (Internet Payment Gateway)
- Cash Management Services (CMS)
- M-CLIP
- Missed Call facility for Mini Statement

ICICI Bank offers digital banking namely “One Bank Many touch points” where in by offering these services any one can access his/ her account anytime, anywhere from laptop or on smartphones. With these services account balance and statements, order cheque books, pay bills, recharge prepaid mobile, transfer funds can be done easily.

ICICI Internet Banking

Internet Banking is a convenient way to do banking from the comfort from home or office. Avoid the queue or delays and try our simple and secure Internet Banking facility for an unmatched online banking experience.

ICICI Bank Mobile Banking App, i Mobile

iMobile, the most comprehensive and secure Mobile Banking application, offers over 150 banking and informational services to take care of banking needs conveniently from mobile. iMobile is available on Android, Windows, Blackberry, Apple and Java phones & tablets.

Objective of Research:

To understand the change in banking operation for its customers.

To know about the customer relationships through digital engagement.

Hypothesis:

Ho: Digital banking is useful for business expansion and increase customer satisfaction.

Research Methodology:

A convenience sampling of 10 customers of both ICICI and Bank of Baroda, Nagpur has been collected. The primary data has been collected through questionnaire and interview has been conducted.

Analysis of Primary Data:

Primary Data has been analyzed on the basis of following factors-

Table No. 1: Factors included in collecting primary Data)

1. Use of mobile phones (X1)
2. Use of laptops/PCs(X2)
3. Use of internet Banking(X3)
4. Use of card swap(X4)
5. Frequency of using digital bar code(X5)
6. Use of mobile banking (X6)

Here To analyze primary data clustered column charts, a weightage mean and Chi Square test of Goodness of fit has been used.

Descriptive statistics and tables- the first steps in exploring data are readily generated from within the database. Descriptive statistical measures are used to depict the centre, spread, and shape of distributions and are helpful as preliminary tools for data description. It has used to define these measures and describe their use as descriptive statistics after introducing a sample data set and an overview of basic concepts. In contrast to exploratory studies, more formalized studies are typically structured with clearly stated hypotheses or investigative questions. Formal studies serve a variety of research objectives:

1. Descriptions of phenomena or characteristics associated with a subject population (the who, what, when, where, and how of a topic).
2. Estimates of the proportions of a population that have these characteristics.
3. Discovery of associations among different variables.

Measures of Central Tendency

Summarizing information such as that from the collected data is often requires the description of “typical” values. It is defined typically as the average response (mean); the middle value, when the distribution is sorted from lowest to highest (median); or the most frequently occurring value (mode). The common measures of central tendency (or center) include the mean, median, and mode.

For sampling 20 customers from each following bank has been taken. basically 6 questions have been taken with five point rating scale with 5 indicating “Always” and 1 indicating “Never”, and asked the respondent to answer rating like 5 for always, 4 for often, 3 for sometimes, 2 for seldom and 1 for never. For analyzing data a weighted average mean has been used, a weight for 5,4,3,2 and 1 was given.

The mean value of statements shows that the usage of Digital Banking is high in the areas where people use their Debit/Credit card for better payment option among others options available.

Table No. 2: Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
X1	10	1	5	4.20	1.476
X3	10	1	5	3.00	1.633
X2	10	1	5	3.00	.943
X4	10	1	5	4.30	1.337
X5	10	1	5	3.00	1.633
X6	10	1	5	2.70	1.767

Frequency:

Table No. 3: Frequency Statistics

Statistics		X1	X2	X3	X4	X5	X6
N	Valid	10	10	10	10	10	10
	Missing	0	0	0	0	0	0
Mean		4.20	3.00	3.00	4.30	3.00	2.70
Std. Deviation		1.476	.943	1.633	1.337	1.633	1.767
Minimum		1	1	1	1	1	1
Maximum		5	5	5	5	5	5

Frequency Table

Table No 4: Use of mobile phones

X1(Use of mobile phones)		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	1	10.0	10.0	10.0
	Seldom	1	10.0	10.0	20.0
	Often	1	10.0	10.0	30.0
	Always	7	70.0	70.0	100.0
	Total	10	100.0	100.0	

When respondents are asked about the usage of Mobile Phones. 70% respondents are always using their mobile phone. Where as 10% never use, 10 % seldom and 10 % often use their Mobile Phone for digital Banking.

Chart No 1: Use of mobile phones

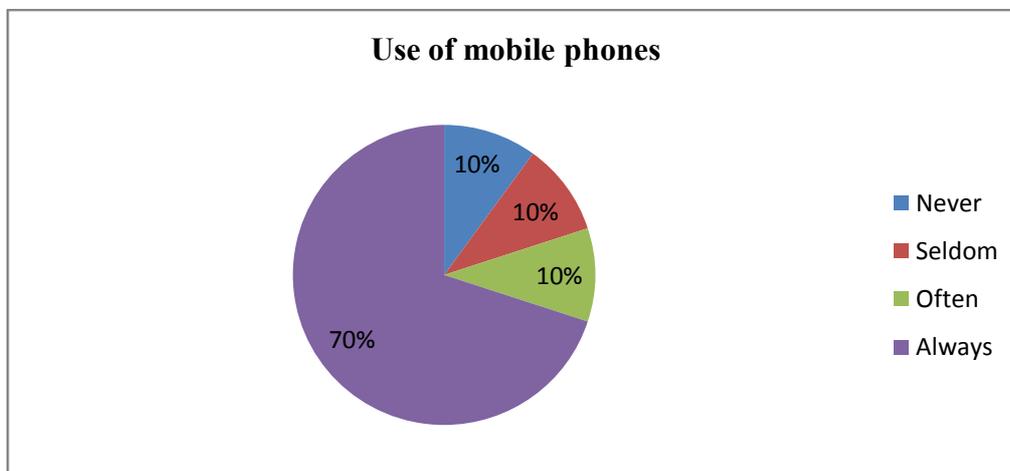


Table No. 5: Use of laptops/PCs

X2(Use of laptops/PCs)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	1	10.0	10.0	10.0
	Sometimes	8	80.0	80.0	90.0
	Always	1	10.0	10.0	100.0
	Total	10	100.0	100.0	

When respondents are asked about the usage of Laptops/PCs. 80% respondents are always using their Laptops. Where as 10% never use and 10 % often use their Laptops/PCs for digital Banking.

Chart No 2: Use of laptops/PCs

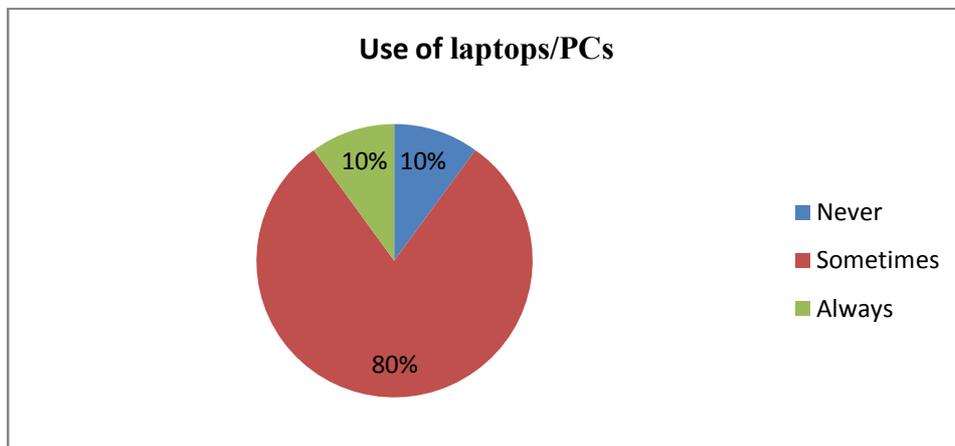


Table No.6 : Use of internet Banking

X3 (Use of internet Banking)					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	2	20.0	20.0	20.0
	Seldom	3	30.0	30.0	50.0
	Sometimes	1	10.0	10.0	60.0
	Often	1	10.0	10.0	70.0
	Always	3	30.0	30.0	100.0
	Total	10	100.0	100.0	

When respondents are asked about the usage of internet Banking, 30% respondents are always using their mobile phone, Where as 20% never use,10% Sometimes and 10 % often use Internet Banking.

Chart .3 : Use of internet Banking

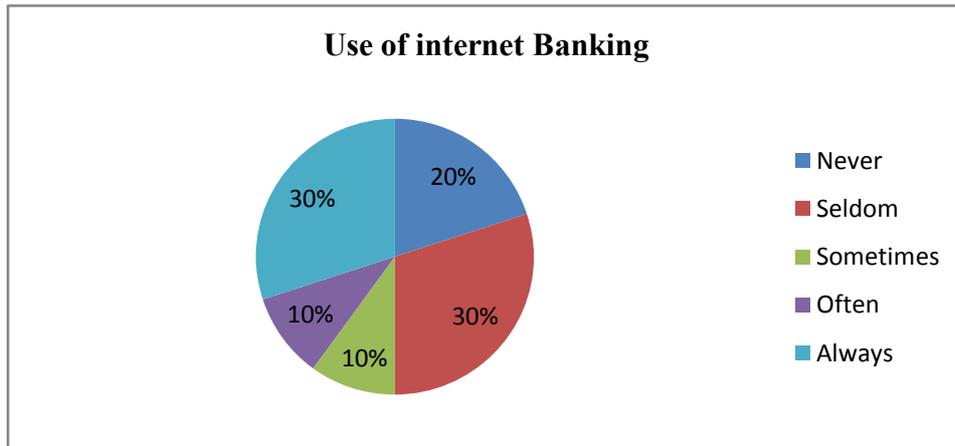


Table No 7: Use of Debit and Credit Cards

X4(Use of Debit and Credit Cards)		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	1	10.0	10.0	10.0
	Sometimes	1	10.0	10.0	20.0
	Often	1	10.0	10.0	30.0
	Always	7	70.0	70.0	100.0
	Total	10	100.0	100.0	

When respondents are asked about the usage of Debit Card, 70% respondents are always using their Debit Card, Whereas 10% never use, 10% Sometimes and 10 % often use Internet Banking.

Chart No 4: Use of Debit and Credit Cards

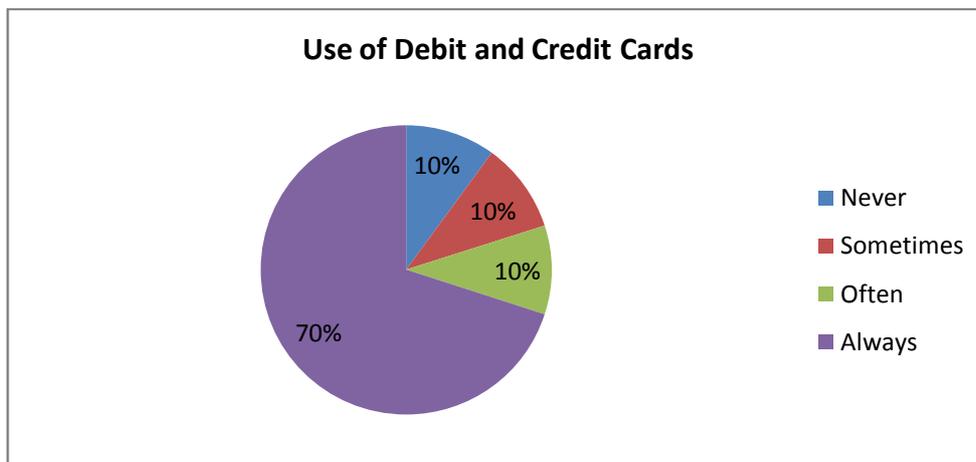


Table No: 8: Use of Bar Codes

X5(Use of Bar Codes)		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	3	30.0	30.0	30.0
	Sometimes	4	40.0	40.0	70.0
	Always	3	30.0	30.0	100.0
	Total	10	100.0	100.0	

When respondents are asked about the usage of Bar Codes for payment, 30% respondents are always using Bar Codes, Where as 30% never use and 30% use Sometimes.

Chart No: 5 Use of Bar Codes

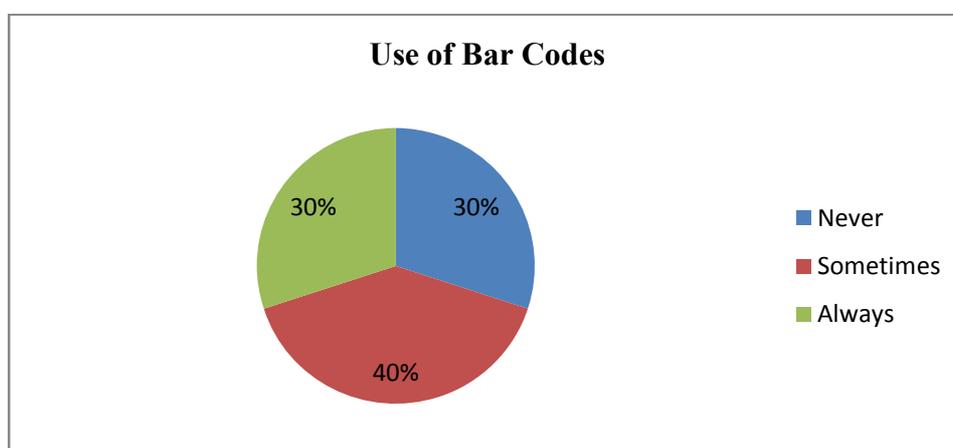
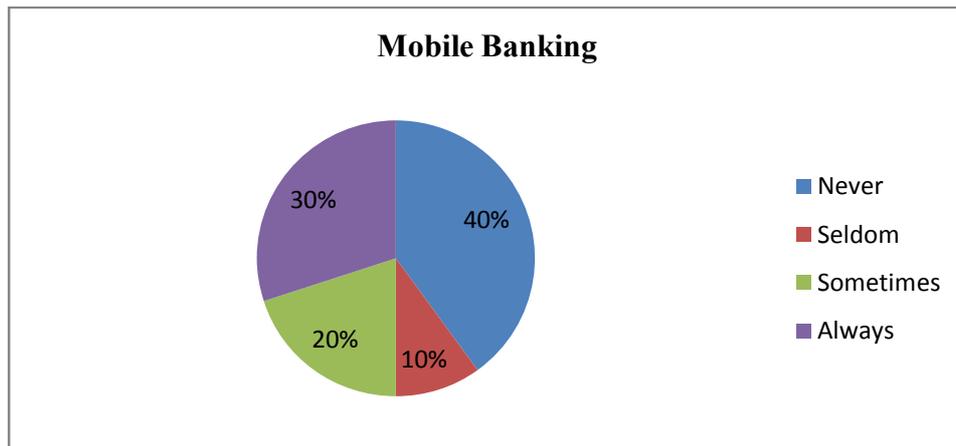


Table No: 9 Mobile Banking

X6 (Mobile Banking)		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	4	40.0	40.0	40.0
	Seldom	1	10.0	10.0	50.0
	Sometimes	2	20.0	20.0	70.0
	Always	3	30.0	30.0	100.0
	Total	10	100.0	100.0	

When respondents are asked about the usage of Mobile Banking for payment, 30% respondents are always using mobile banking, Where as 40% never use 10 % seldom and 30% use Sometimes.

Chart No 6: Mobile Banking



Conclusion:

From the overall data and research analysis, it can be conclude that recently a change can be seen in the banking industry where people are using more Debit and Credit Cards for payment rather than to go for Internet or NET Banking. Use of digital banking also depends on the demographic profile of the customer where he/she is used to avail the NET and Mobile banking facility. Age and income group of the customers also have an impact on the usage of Digital Banking. Youngsters are more attracted towards Digital Banking as Compare to the Middle and old age people. They know how to operate computer and laptops, including mobile phones.

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ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN IMPARTING EDUCATION IN INDIA

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Abstract

Corporate earns income from the society. Therefore it is the responsibility of corporate to return some amount of earnings back to the society through CSR activities. The involvement of Corporate in education through CSR is essential for the development of individual, corporate and society at large. The objective here is to study the status of CSR in education and also challenges faced by CSR. Secondary data is used for study. Corporations are getting involved in education sector for a number of reasons, including improved financial performance, building a positive reputation and goodwill among consumers, employees, investors, and other stakeholders. Involvement of business in imparting education through CSR would enhance a harmonious and healthy relationship between the society and business seeking mutual benefit for both. Though businesses in India contribute to education through CSR, there is strong desire to change the current state of education. This is possible when the corporate also perform their responsibilities towards society by imparting education to still greater extent. The role of CSR in education is likely affecting and benefiting individuals, companies, and society at large.

Key Words: Corporate Social Responsibility (CSR), Education.

Introduction:

The income earned by the corporate is only from the society and therefore some amount should be given back for social welfare. Corporate Social Responsibility can be considered as a commitment by corporate to support initiatives which include Eradicating hunger, poverty & malnutrition, Promoting education, improving maternal & child health, Ensuring environmental sustainability, Promoting sports, Slum area development etc.

Corporate will also be benefited by CSR activities. As Consumers are socially conscious they actively seek out companies that support charitable causes. Corporate that show how they are more socially responsible than their competitors tend to stand out. CSR practices also have a significant impact on employee morale, as it reinforces his confidence on Company's empathy. As we all know that education is a process which enables every individual to effectively participate in the activities of society and to make contribution to the progress of society. The involvement of Corporate in education through CSR is essential for the development of individual, corporate and society at large.

Objective of the study:

The main objective of the study is to study status of CSR in education in India and challenges faced by CSR.

Methodology:

The research paper is based on secondary data sourced from journals, articles, media reports, websites etc.,

Why corporate enter into education sector:

Businesses have began to take a more targeted approach in their corporate social responsibility programs and are seeking to impact areas that have a correlation with their own

business goals. For many businesses, education is an important part of their plans, since the needs exist in all geographical areas, across all subject areas, and for all kinds of people. The bottom line is that educational outreach efforts have the capability to make a real and lasting difference for all players involved. CSR activities serve as an effective way for the company to seek better reputation while contributing to the society. Participation in educational endeavours gives companies a positive image as being concerned about young generations and a hopeful future.

Corporations are getting involved in education sector for a number of reasons, including improved financial performance, building a positive reputation and goodwill among consumers, employees, investors, and other stakeholders. Also to Increase ability to attract and retain employees, develop brand recognition, whether to increase consumer loyalty, boost sales, easier access to capital, build a more educated workforce, raise consumer awareness about particular issue, and fulfil a company mission or mandate.

Best Practices of CSR in the field of Education in India.

The role of corporate with their Corporate Social Responsibility (CSR) in India is crucial in improving the educational conditions in India. CSR activities of some of the best companies in Education in India are as below.

1. CSR activities of Tata Steel Ltd

Various CSR project implemented from elementary school education to the high school level with an aim of equitable and quality education. Tata granted two fellowships viz., the Jyoti Fellowship and Moodie Fellowship to over 2,800 meritorious SC/ST Students from economically-challenged families in Jharkhand and Odisha.

The Tata Steel Scholars initiative helped 83 bright SC/ST students from low-income families realise their academic dreams. Tata's preparatory coaching initiative has helped nearly 5,500 underprivileged school students in classes 8, 9 and 10 to hone their skills in subjects like English, Mathematics and Science.

2. CSR activities of Wipro Ltd.

The Wipro Academy of Software Excellence (WASE) program helps Science graduates to study for a Master's degree in Software Engineering (M. Tech) run in partnership with the Birla Institute of Technology & Science (BITS), Pilani, India, and this unique program blends rigorous academic exposure with practical professional learning at the workplace. There is a program called WISTA in collaboration with Vellore Institute of Technology (VIT) for science graduates without a mathematics background. Wipro has supported and enabled more than 25000 students to graduate from the WASE and WISTA programs with an MS degree in Software Engineering. During 2015-16, the total number of new entrants into the two programs was 1810 while the aggregate strength across four years was 13805.

Mission10X is a not-for-profit initiative of Wipro Limited which was started on September 5, 2007 towards enhancing the employability skills of engineering students by building capacity of engineering education infrastructure. The first phase of Mission10X focused on training teachers on pedagogy while the second phase has focused on "SMALLER and DEEPER Engagement" philosophy where a set of selected Engineering colleges have been given a deeper educational interventions.

3. CSR activities of ITC Ltd.

ITC in its rural endeavor provides primary education in order to address the problem of economic weakness rural families. Their initiatives aim at improving infrastructure in Government schools, providing supplementary education to support children with school learning, building community and parental involvement with school education.

The Education Programme provided access to children from weaker sections with focus on quality and retention. The Primary Education Programme focused on retention and improving learning outcomes in government primary schools. Primary schools were provided infrastructure support comprising boundary walls, additional classrooms, sanitation units, and furniture.

4. CSR activities of Reliance Industries:

Reliance Industries involves in CSR activities by constructing & renovating school buildings, providing free note books and text books to students, rewarding the meritorious with scholarships, building remedial centers and spreading awareness about the need for computer education in rural India.

For Reliance, education and skill development are the cornerstones of a progressive society and it has continuously provided quality education. Reliance seeks to provide quality education, training and skill enhancement to improve the quality of living and livelihood. The Company focuses on promoting primary and secondary education, enabling higher education through scholarships, promoting higher education through setting up and supporting universities and skill development through vocational training.

a. Dhirubhai Ambani Scholarship Programme: The Dhirubhai Ambani Scholarship (DAS) Programme aims to fulfil late Shri Dhirubhai Ambani's vision of providing opportunities to the youth and empowering them towards becoming future leaders.

b. Reliance Dhirubhai Ambani Protsaham Scheme: Reliance Dhirubhai Ambani Protsaham Scheme supports financially poor and meritorious students (Class X pass-outs).

c. Education For Specially-Abled Children: Reliance has set up an Early Intervention and Rehabilitation Centre in Thallarevu, Andhra Pradesh to facilitate and enhance the development process of children with speech and hearing impairment.

5. CSR activities of Mahindra

Nanhi Kali Programme : - Project Nanhi Kali, the flagship programme of KCMET, was incepted in 1996 with the aim of providing primary education to underprivileged girl children in India. The initiative is being jointly managed by the KC Mahindra Education Trust and Naandi Foundation. Nanhi Kali is a national sponsorship programme implemented in Government/Aided schools, where individuals can support the education of a girl child in India. Material support is given to the Nanhi Kalis once every year in the form of a kit consisting of uniforms, school bag, shoes, socks, undergarments, notebooks, textbooks and stationery. Academic support is extended throughout the year at Academic Support Centers (ASCs) two hours before or after school to ensure grade-specific learning competency amongst Nanhi Kalis.

Mahindra and Mahindra implemented number of CSR projects in education sector. Projects are like Mahindra Scholarships For UWC Students, Research Projects of the Indian Council On Global Relations, providing infrastructure, Mahindra Saarthi Abhiyaan, Undergraduate engineering students are provided with a platform in the form of a project that allows hands on experience in all aspects of automobile engineering, Supporting 28 English

medium MCGM schools from KG to 7th Grade, Quality education provided to underprivileged children.

6. CSR activities of Bajaj Auto Ltd.

Bajaj auto spent part of their CSR funds on up gradation and construction building in educational sector. More than 20 activities were conducted by Bajaj auto in educational sector. Few of major activities are enlisted here,

- a. Up gradation of the Mechanical Engineering building (College of engineering pune),
- b. Expanded the pune public school building by 8 classrooms.
- c. Constructed administrative building for Nagpur University
- d. Upgraded the schools in PCMC area (Pune)
- e. Constructed building for school, research laboratory and Library at Aurangabad Police Public School.

7. CSR activities of Samsung India Electronics Pvt Ltd

Samsung India is at the forefront of empowering India's youth with education through technology. Today, Samsung Smart Class present in Navodaya Vidyalaya across rural India. Each Samsung Smart Class consists of the latest audio-visual tools, like Samsung Tablets (41 tabs per class), interactive smart board, printer and other devices. These classes also have learning apps for Computer Science, Mathematics, English and Science. These latest technology tools help students to learn complicated concepts easily. Samsung Smart Class also enables teachers in retaining the students' attention due to this modern and interactive learning environment. Samsung technical schools across the country established to provide hands-on industry training.

8. CSR activities of Infosys Ltd:

In 2015, Infosys foundation renovated seven schools in Arunachal Pradesh and two schools in Assam. Infosys foundation has partnered with number of academic institution across India to institute chair professorship. For supporting higher education Infosys launched TFI fellowship.

9. CSR activities of Adani Ports and Special Economic Zone

Adani Foundation believes that Education represents the stepping stone to improve the quality of life, especially for the poor and the vulnerable. The ideology behind the education initiatives lies in the essence to transform Lives through the continuous enhancement of knowledge and empowerment. The objective behind the education initiative is to provide 'quality' education to all, along with a unique learning experience to young minds.

Company also provided "Free of Cost" quality education to the deserving young minds coming from the weaker economic backgrounds. DPCL DAV Public School, Dhamra supported by Adani Foundation is providing quality English medium education at a subsidized cost to nearly 300 students from the periphery villages.

10. CSR activities of Jindal Steel & Power Ltd:

The company recognises education as one of the building blocks of any nation and consider it as a priority area for its CSR activities. The aim is to nurture young minds and educate them, so that they contribute to the nation's development. Realising the importance and relevance of education, a number of initiatives have been undertaken in this respect like

establishing a global university, specialised institutes and schools. All these initiatives have been undertaken to benefit the communities the company is operating in, by helping to increase the literacy levels of these areas.

Corporate Social Responsibility -challenges:

1. Lack of Awareness of General Public in CSR activities: There is a lack of interest of the general public in participating and contributing to CSR activities of companies. This is because of the fact that there exists little or no knowledge about CSR.
2. Lack of Transparency: Lack of transparency is one of the key challenges for the corporate as there exists lack of transparency on the part of the small companies as they do not make adequate efforts to disclose information on their programmes, audit issues and utilization of funds. This negatively impacts the process of trust building among the companies which is a key to success of any initiative.
3. Visibility Factor: The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the population about various ongoing CSR initiatives of companies. This apparent influence of gaining visibility and branding exercise often leads many non-governmental organizations to involve themselves in event based programmes; in the process, they often miss out on meaningful grassroots interventions.
4. Narrow Perception towards CSR Initiatives: Non-governmental organizations and Government agencies usually possess a narrow outlook towards the CSR initiatives of companies. As a result, corporate find it hard to decide whether they should participate in such activities at all in medium and long run.
5. 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.
6. 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. In other words, the bigger the company, the bigger is its CSR program.
7. 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.

Conclusion:

Education has many benefits and has positive impact in our life. An educated person is an asset for any country. In today's world, human capital is considered the best national resource. On one hand, he can explore better opportunities for himself, and on the other hand, the entire nation would get benefited from his works. As business is an integral part of the social system it has to care for varied needs of the society. One such need is education. Involvement of business in imparting business through CSR would enhance a harmonious and healthy relationship between the society and business seeking mutual benefit for both.

Though businesses in India contribute to education through CSR, there is strong desire to change the current state of education. This is possible when the corporate also perform their responsibilities towards society by imparting education to still greater extent. The role of CSR in education is likely affecting and benefiting individuals, companies, and society at large.

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GOVERNMENT INITIATIVES FOR RURAL BANKING: AN OVERVIEW

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Abstract

The present paper is an attempt to understand the various initiatives taken by the government for rural banking sector in India. In this regard secondary data is being considered. The main objective of the paper to understand the existing government readiness towards cash less society. Though is a conceptual paper and it will give a direction for undertaking the empirical study on digital transactions and will be added contribution to the existing literature.

Key words- *Rural banking, Information technology, Government, Digital Transactions*

An overview

Indian banking sector has a rich history and heritage. Banking is a business in financial intermediation where one group of people deposits money with the bank and other group utilize the same money by availing loan from the bank for income generating activities. The growth of an economy largely depends on the level of economic development. The performance of the financial sector adds value in terms of overall economic growth that a country aims at. Traditionally, the role of banking sector was restricted to provide finance to the needy sectors but lack of access to the finance sectors often created obstacles for the desired growth level. In most of the developing countries, access to finance is a problem. As is usually seen, bank lending is clearly biased to those borrowers who provide collaterals and therefore considered bankable. Due to scarcity of funds, credit starved people often borrow from unorganized players at usurious rates. With changing times, demand for certain other types of financial products have also emerged slowly. India is a developing economy where all the sectors have not yet been able to derive benefits of banking services which would have helped a rapid growth of the economy.

The banking system provides a cash management system to its customers in the form of various services. People have confidence in banks and therefore they deposit their hard earned money in banks. The banking system has a past history. It has undergone through a series of changes. But the core of banking remains the same. Although, the basic purpose of banks is to provide credit, today it is able to play a greater financial role where the banks have transformed themselves as financial supermarket. With changing demand of the customers, the product offerings of banks have also seen lots of changes. Thus, along with dispensation of credit and deposit taking services, the banks have also started providing other major financial products like insurance, mutual funds, shares etc. so as to increase their reach and meet the growing demand of customers. Technology also started playing an important role so as to provide better value added services to its customers.

The basic functions of a bank can be summarized as follows:

- To provide safety to the savings of customers
- To create credit and increase supply of money
- To encourage public confidence in the financial system

- To mobilize the savings of public
- To increase its network so as to reach every segment of the society
- To provide financial services to all customers irrespective of their level of income
- To bring in social equity by providing financial services to every stratum of the society

The banking sector in India has expanded rapidly under a liberalized environment. The supervision of RBI has also generated confidence among general public. The system is so strong that the global financial turmoil of 2008 failed to unsettle the Indian banking industry. A robust regulatory framework of Indian banking has helped to maintain India's growth momentum. The Government of India has adequately addressed the need of the banking sector for the development of society as well as various sectors. As a result of this, some of the sectors like MSME, agriculture and allied sector and non allied sectors etc. are now able to secure finance to maintain the profitability and face the market competition.

But, somehow the Indian banking sector's presence and impact in rural and semi-urban areas has been lackluster. Villages of India have remained largely unbanked. Such financial exclusion is a huge problem. Indian banking therefore can be termed as "Class Banking", i.e., mainly serving the needs of well heeled. The Government of India is now trying to correct this anomaly and orient Indian Banking in to "Mass Banking". Traditionally, the people who are excluded from formal financial system are dependent heavily on local moneylenders to meet their financial requirements at usurious rates and this often becomes a kind of financial exploitation. This becomes an accepted norm for poor people. The failure of formal banking system to reach this group of people is not a good sign and this needs certain policy interventions. Previously, the governments as well as RBI, with the help of National Bank for Rural & Agricultural Development (NABARD), had introduced the concept of microfinance. The concept was not new in the world of financial markets. In India, it went on to become a new avenue to meet the financial requirements of the poor and extremely poor, who are otherwise, treated as unbankable by organized formal financial sector players. But the penetration through microfinance may not be able to uplift the socio economic status of the people. This forced the decision makers to think alternatively. And the resultant idea eventually was the concept of financial inclusion. The process has been able to generate the much needed financial boost for the poor. The programme has been able to help the transformation of banking from "Class Banking" to "Mass Banking" in a great way. The implementation of Pradhan Mantri Jan Dhan Yojana (PMJDY) is the latest initiative in this regard. The programme has been able to rope in a substantial number of people under the formal banking system but the success of the programme is not beyond any doubts.

Rural banking and financial inclusion may be treated as synonyms as the majority of the rural population is still not included in the inclusive growth. Therefore the concept of financial inclusion becomes a challenge for the Indian economy. Financial inclusion empowers improved and better sustainable social and economic development of the country. It helps in the empowerment of the underprivileged, poor and women of the society with the mission of making them self-sufficient and well informed to take better financial decisions.

Objectives of the study

- ✓ To understand various initiatives taken by the central government for the development of rural banking.
- ✓ To undertake empirical analysis on digital banking.

Methodology of the study

The present study is based on secondary data. For the purpose of the study various libraries visited and websites and reviewed.

From Census India, 2011 data we can see that rural area is still remaining unbanked.

Table 1: Unbanked Population

CENSUS 2011 DATA			TOTAL
	RURAL	URBAN	
Total households	168	79	247
Households without access to banking facilities	77	25	102
As a % of total households in respective segments	46%	32%	41%
As a % of total households in the country without access to banking facilities	75%	25%	--

Source: http://censusindia.gov.in/2011-Common/NSDI/Houses_Household.pdf

Over the years, various steps have been taken by the government to increase the contribution of people in the financial system of India. In 1969, a major renovate in the banking sector took place with Nationalization of all the Banks existing in India. In the year 1981, The National Bank for Agriculture and Rural Development (NABARD) was established. The main aim of establishing NABARD was to promote sustainable and impartial agriculture and rural prosperity through effective credit support, related services, institution development and other innovative initiatives.

Swarnajayanti Gram Swarajgar Yojana (SGSY) was introduced in the year 1999 with a vision to make paths of self-employment available to the poor, specifically Below Poverty Line (BPL) families residing in rural areas. The aim was to assist families by giving training and capacity building measures. The concept of self Help Groups (SHGs) was adopted in which the people were separated into groups who would carry out activities for their livelihood by providing income generating assets.

The establishment of Regional Rural Banks in India was an important landmark in the banking history of the country. These banks were established under the provision of the Regional Rural Banks Ordinance, 1975, by the government on September 27, 1975. The main objective of establishing the regional rural banks was to provide credit and other facilities especially to the small and marginal farmers, agricultural laborers, and small entrepreneurs in the rural areas. It's the Narasimham Committee that theorized the foundation of Regional Rural Banks in India. The committee felt the need of regionally oriented rural banks that would address the problems and requirements of the rural people in India.

In order to encourage rural masses to save in banks, saving bank accounts with zero balance accounts i.e. no minimum balance required or No Frills account has been introduced by Government of India. Small overdraft facility is also provided along with moderate operating charges in this system.

Kisan Credit Card System was specially designed to provide farmers' credit requirements. The scheme enables a single window system for providing credit in activities

like cultivation of crops, post harvesting expenditure, maintenance cost for assets used in agriculture, and investment requirements in agriculture and allied activities. Kisan Credit Card (KCC) is applicable to all commercial banks, regional rural banks and cooperatives.

The Government of India and the Reserve Bank of India have been making intensive efforts to promote financial inclusion as one of the important national objectives of the country. Some of the major efforts made in the last five decades are nationalization of banks, building up of vigorous branch network of scheduled commercial banks, cooperatives and regional rural banks, introduction of authorized priority sector lending targets, lead bank scheme, formation of self-help groups, permitting Business Facilitators (BFs) and Business Correspondents (BCs) to be appointed by banks to provide door step delivery of banking services, zero balance accounts etc. The fundamental objective of all these initiatives is to provide the financial services to the large section of the financially excluded Indian population. Relaxations in the BC model were made to bridge the problem. This enhanced the step of branch opening, with more branches being opened in rural and semi-urban areas. Though, the number of branches per 100,000 of population in rural and semi-urban areas is still less than half of that in urban and metropolitan areas which we can see from the below table of branch expansion:

Table 2: Expansion of Bank Branches

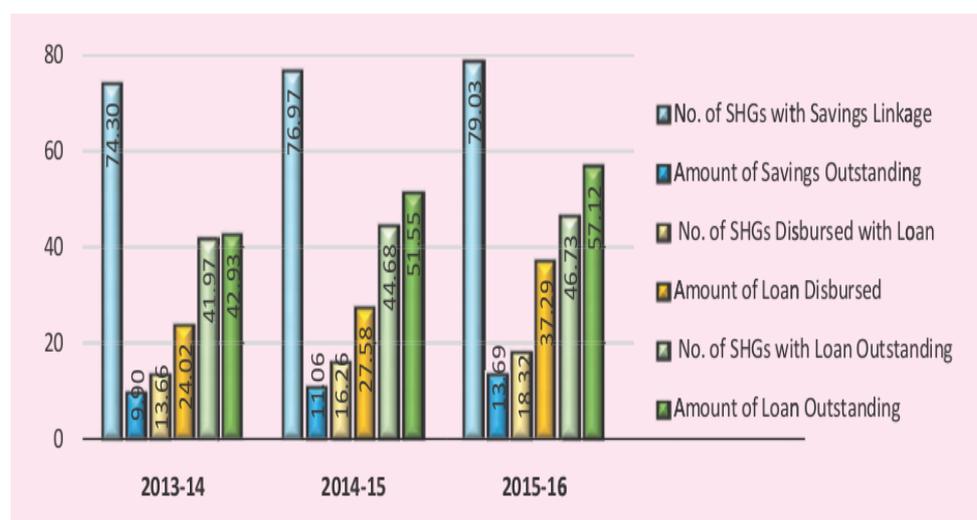
As on Mar ch	Number of Branches			Estimated population* (in million)			Branches/100,000 population		
	Rural+ Semi-urban	Urban + Metro politan	Total	Rural + Semi-urban	Urban + Metro-politan	Total	Rural + Semi-urban	Urban+ Metro politan	Total
2001	44,905	20,713	65,618	851	177	1008	5.3	11.7	6.4
2006	45,673	23,904	69,577	920	195	1115	5.0	12.3	6.2
2010	53,086	31,072	85,158	980	211	1191	5.4	15.2	7.2
2014	76,753	40,958	1,17,711	1044	228	1272	7.3	17.9	9.2
2015	82,358	43,716	1,26,074	1061	233	1294	7.8	18.7	9.7
June 2015	82,794	43,910	1,26,704	1065	235	1300	7.8	18.7	9.7

Source: <https://rbi.org.in/scripts/PublicationReportDetails.aspx?ID=836#CH1>

Microfinance is one of the tools provided by the government which can help this segment of society to access the formal credit system to fulfill their financial needs and reach the trajectory of growth highway. Though, there are different models for microfinance, the self-help-group (SHG)-Bank Linkage Programme has emerged as the major microfinance program in the country. It is being implemented by commercial banks, regional rural banks (RRBs) and cooperative banks and NGO's. The SHG's speed up the rural development as funding agencies and rural masses both involve in development process. The concept of microfinance in India based on the philosophy of Grameen Bank of Bangladesh developed to offer resources and spectrum of financial services to poor people in rural area. NABARD initiated micro finance initiative-Self Help Group Bank in the year

1992 for unbanked population in association with Bank and Non-Government Organizations. In this case the members of Self-help group pool their small savings regularly at a prefixed amount on a daily or weekly basis and SHG s provide loan to their members for a fixed period. This is essentially association of 15 to 20 people. NABARD estimates that there Rs 2.2 million SHGs in India, representing 33 million members that have taken loans from banks under its linkage program to date¹.

Figure 1: Progress of SHG during Last 3 Years (No. in Lakhs, amount in Crores)



Source: Status in Microfinance in India, 2015-16, NABARD Report, Pg no 8

We can see that from the above figure the number of SHGs with savings linkage, credit disbursed during the year and bank loans outstanding as well as the quantum of savings outstanding, loan disbursed during the year and total loan outstanding had shown positive growth during the past three years. Year 2015-16 was particularly positive for the growth of SHG-BLP.

In 2006 RBI permitted banks to engage intermediaries to provide banking services. These intermediaries called Business Correspondents (BCs) and Business Facilitators (BFs) who were allowed to provide banking services as agents of banks other than bank premises. They are permitted to carry out transactions on behalf of the bank as agents. The BF's can refer clients, pursue the client's proposal and help the bank to carry out its transactions but not on behalf of bank. The products that can be canvassed by the BC also as Business facilitator are:

- a. Loans against Valuable securities/own deposits
- b. Gold Loans
- c. General purpose Credit card (GCC)
- d. Kisan Credit Card (KCC)
- e. Loans to SHGs/JLGs
- f. Current Account
- g. Savings Bank account (other than No Frills Account)

¹EDA and APMAS Self-Help Groups in India: A Study of the Lights and Shades, CARE, CRS, USAID and GTZ, 2006, p. 11

- h. Term Deposits
- I. Recurring Deposits
- j. Mutual funds on a referral basis
- k. Insurance (Life and Non-Life), Pension and any other third party financial

Know your Customer (KYC) has been initiated to a great extent to encourage wider financial participation in rural areas. Due to unavailability of various documents required to open savings bank accounts, Banks have now announced to provide any documents as identity as evidence.

A major scheme aimed toward financial inclusion, Pradhan Mantri Jan Dhan Yojana, was launched on 28 August 2014, to provide every household with a bank account and basic insurance cover. It is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking or Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. Account can be opened in any bank branch or Business Correspondent outlet. PMJDY accounts are being opened with Zero balance. However, if the account-holder wishes to get cheque book, he or she will have to fulfill minimum balance criteria. This scheme received considerable response and around 15m accounts were opened on the day of its launch. As of 22 June 2016, 221.8 million accounts (with total balance of INR391.53 billion) have been opened under this scheme².

Table 3:PMJDY Details (as on 29.03.2017)

Bank Name	Rural	Urban	Total	No of RuPay Cards	Aadhaar Seeded	Balance in Accounts
Public Sector Bank	12.34	10.28	22.61	17.60	15.10	49265.50
Regional Rural Bank	3.98	0.66	4.64	3.54	2.80	11608.91
Private Banks	0.55	0.37	0.91	0.85	0.44	2098.02
Total	16.87	11.30	28.17	21.99	18.35	62972.43

Source: <https://www.pmjdy.gov.in/account>

The success of PMJDY will largely depend on reaching the poorest of the poor in the country where 25 per cent of the people live with an income of less than Rs 40/day. The serious feature of PMJDY is the delivery of banking services to the un-banked and under-banked considering the constraints of broadband connectivity, technology and financial literacy. The immediate need is to build economic activity around unbanked/under banked villages so that the newly opened bank accounts remain active with regular transaction.

The year has seen many positive turn to the microfinance sector, despite initial roadblocks; the newest is the announcement of the Micro Units Development Refinance Agency (MUDRA) Bank by the Union Finance Minister in his budget speech in April, 2015. The primary objective of this bank is to “fund the un-funded”, drawing parallels with the “banking the un-banked” model. The Government encourages the microfinance sector across institutional and operational functions to pursue MUDRA Bank’s objective because it acknowledges that “small business units” play a important role in GDP growth and

² Evolving Landscape of Microfinance Institutions in India 2015-2016 pdf , ASSOCHAM p. 11

employment. It was decided that MUDRA will monitor the development of PMMY. The overall performance of the Yojana indicates that the target has been achieved during the year. As against the target of Rs.122188 crore, the Banks and MFIs together have disbursed Rs 132954.73 crore, thereby achieving 109%. The achievements by Public Sector Banks indicate a substantial credit growth in this segment. Based on the data collected from the PSBs, it was seen that the disbursement by these banks in this segment was around Rs. 33,000 crore during the 2014-15 which has recorded a growth of 70% during 2015-16³.

Conclusion

The various initiatives taken by the government for rural banking is quite appreciable. Earlier banking system was different and the present system is quite digital. After mobile banking a revolution started in the banking sector. It is no doubt as on date we might not have 100% in rural banking but initiatives taken will definitely give the results sooner or later. The major problem of illiteracy is a challenge for the banking sector in rural areas. At the same time our rural India is completely ready for digital transactions. But sooner or later the dream of digital transactions is possible with the involvement of everyone. The is not only the responsibility of Government it is also duty of every literate citizen to participate in the movement.

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³ Review of performance of Pradhan Mantri Mudra Yojana (An analysis on the performance of PMMY during FY 2015-16) pdf, Pg 3

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EXPLORING WORKPLACE NEGATIVITY: AN INSIGHT INTO DETERMINANTS

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Abstract

Employees are one of the non-imitable components of the organization. Resources, such as, finances, machinery, etc. can be replicated by the rivals at the market place. But the skills, abilities and aptitude of the employees cannot be copied by the rival organizations until and unless the employees themselves join the rival organization. Owing to this fact, business organizations keep the focus on all the factors which will affect the attraction and retention of the highly skilled manpower and the factors which will motivate them to perform more efficiently and effectively. Among such factors, one of the imperative factors, in the modern contemporary world, is the work place negativity. Defined as negative gossips among employees; negative attitude towards work, conflict between employees or groups or departments; negative attitude towards work, workplace negativity affects the motivation, efficiency and effectiveness of employees at workplace. Therefore, in the modern contemporary world, business organizations are focusing on workplace negatively and its determinants. With this view, the present study has been framed to analyze the determinants of work place negativity among the employees in the banking sector. Banks are the backbone of the Indian economy and the front end employees of the banks are the face of the banks. Therefore, the present study has been aimed at exploring the factors that affect the workplace negativity of the front end employees of the banks. Being primary in nature, the data have been collected from 324 front end employees working in five different banks, namely, SBI, HDFC, ICICI, Axis Bank, IndusInd Bank. The statistical results of the study highlight political behavior, organizational commitment and psychological capital as significant determinants of workplace negativity. Apart from this, socio-economic factors, such as, age, qualification, etc. are also found to exhibit significant impact on the workplace negativity of employees. Based on the findings of the study, various suggestions have been made to banks to reduce workplace negativity among employees in order to ensure sustained profitability of the banks.

Key Words: *Workplace negativity, organizational commitment, psychological capital, banks*

1. Introduction

Employees are one of the non-imitable assets for any kind of the organization in any part of the world. Resources, such as, finances, machinery, etc. can be replicated by the rivals at the market place. But the skills, abilities and aptitude of the employees cannot be copied by the rival organizations until and unless the employees themselves join the rival organization (Spurgeon, 2003). Owing to this fact, business organizations have started focusing on all the factors that will affect the attraction and retention of the highly skilled manpower and the factors which will motivate them to perform more efficiently and effectively (Einarsen et al., 2003). Among such factors, one of the imperative factors is the work place negativity (Hoover and Freeman, 2016; Raynor, 2005; 2002). Indeed in the present competitive world (where the bottom-line objective of all the business organizations is not only to enhance the organizational profitability but also to sustain the profitability level year-after-year) exploring workplace negativity and handling it has been considered as one of the vital aspects in order to attract and retain the competitive human assets in the organizations (Rains, 2001). Defined

as negative gossips among employees; negative attitude towards work; conflict between employees or groups or departments; negative attitude towards work, workplace negativity is found to affect the motivation, efficiency and effectiveness of employees at workplace (Alony, 2016). Thus, it becomes imperative for the business organizations to focus not only on the origin of workplace negativity but also the factors which may induce or reduce it. With this view, the present study has been framed to analyze the determinants of workplace negativity among the employees in the banking sector. Further, the research reservoir has been found equipped with wide variety of factors affecting workplace negativity. Nevertheless, the present composition has aimed at exploring the impact of political behavior, organizational commitment and psychological capital and socio-economic characteristics of the employees on their workplace negativity. Accordingly, the succeeding section discusses the research work done in the aforesaid aspect.

2. Literature Review

Seligman (1998) have identified that the employees who are more committed towards their work are less likely to form negative attitude towards their workplace. In other words, the results of the study have narrated that the commitment level is inversely linked with the workplace negativity. Likewise, Allen & Meyer (1996); Schermerhorn & Nyaw (1990) have also found inverse relationship between employees' commitment level and their workplace negativity. Also, Mazumdar (1992), in an empirical research, depicted that the commitment level of employees significantly impact their workplace negativity.

Further, Luthans et al. (2007) have narrated that psychological capital support positive organizational behaviour approach which emphasizes on enhancing employees' strengths, thereby, making them more focused towards their work and less attention on workplace negativity. Also, Luthans & Youssef (2004); Luthans (2002a; 2002b) have highlighted that the psychological capital is significantly associated with the workplace negativity. To elaborate, the results of the study have highlighted that positive psychological strengths and capacities such as hope, optimism, and resiliency constitute psychological capital and it inversely affects the negative attitude of the employees at work place. Similarly, Vigoda-Gadot & Kapun (2005) and Vigoda-Gadot & Drory (2006) have stated that workplace learning is likely to occur when there is less negativity and employees will have positive attitude towards their work when there exist low political behaviour in the organization.

Conversely, Diewert & Lawrence (2005) has stated that to certain extent, the application of political behaviour is required for enhancing the organizational productivity. The authors stated that without the political behaviour, organizations cannot learn and thus, it is requisite for facilitating the organizational productivity. However, there is a need to keep check on the extent to which the political behaviour needs to be employed. Adding more, Cacciattolo (2013) mentioned that for enhancing the organizational learning and reducing the workplace negativity, political behaviour concerning rivalry should be minimized as it will lead towards conflicts, bureaucracy, etc. Although scant, but the research reservoir has been found with few studies, wherein, the relationship, between various demographic characteristics of the employees and workplace negativity, is found to be significant (Foma, 2014; Buckingham, 2009; Robbins, 2003, etc.).

To summarize, the extensive review of literature has indicated that scant evidences pertaining to the phenomenon of workplace negativity. Taking this into contemplation, the present research work has been framed.

3. Research Methodology

3.1 Sample Design

In order to serve the purpose of the present study, exploratory research has been conducted by taking the employees working in banks. Banks are the backbone of the Indian economy and the front end employees of the banks are the face of the banks. Therefore, the present study has been aimed at exploring the factors that affect the workplace negativity of the front end employees of the banks. Being primary in nature, the data have been collected from 324 front end employees working in five different banks, namely, SBI, HDFC, ICICI, Axis Bank, IndusInd Bank in the Delhi and Non Capital Region. The selection of the branches of the aforesaid banks and the selection of employees was based on the convenience sampling approach. Further, the data have been collected through a well structured pretested questionnaire. The preliminary draft of the questionnaire has been put forth to 50 front end employees of the HDFC bank and two subject matter experts. On the basis of the feedback, requisite modifications have been made and the questionnaire has been finalized. The data have been collected during the period December 2016 to February, 2017.

An outlook at the data pertaining to the demographic profile of the sampled employees depict that maximum of the respondents (49.2 per cent) belong to the age group of 30-40 years, are males (54 per cent); married (83.6 per cent); with an average income of INR 34000 per month. Further, 51 per cent of the sampled front end bank employees are found to be post graduates.

3.2 Scale Development

The scales assessing political behaviour, organizational commitment, psychological capital and workplace negativity have been developed on the basis of the research work done by Snyder et al. (1991); Scheier and Carver (1985); Block and Kreman (1996); Klonhnen (1996), Allen & Mayer (1996); Luthans et al. (2007) and Foma (2014). In the present context, political behaviour has been defined as use of employees' own or assigned power within the organization for the purpose of obtaining advantages beyond their legitimate authority. Organizational commitment can be understood as the willingness of the employees to work towards the accomplishment of the organizational goal. Further, psychological capital is defined as the positive and developmental state of employees as characterized by high optimism, self-efficacy, hope and resiliency. While, workplace negativity has been defined as certain thoughts, moods, behaviours, or actions of employees which are being communicated at the workplace. A total of five measures assessing political behaviour, seven measures assessing organizational commitment, twelve measures assessing psychological capital and eight measures assessing workplace negativity have been developed. Further, all the responses have been taken on 5-point Likert type scale ranging from 1 to 5, wherein, 1 represents strongly disagree and 5 represents strongly agree.

4. Empirical Results

At the outset, all the aforesaid four scales have been tested against normality, reliability, dimensionality and validity norms. Accordingly, the normality assumption has been checked through the values of standard deviation, skewness and kurtosis as suggested by Hair et al. (2012). The values of standard deviation are found close to 1 and the values of skewness and kurtosis are found to lie between +3 and - 3, thereby meeting the prescribed criteria and establishing the normality of the data. Further, the reliability of the aforesaid constructs has been examined by employing Cronbach Alpha (α) statistics and on the basis of the guidelines provided by Hair et al. (2012). On the basis of 'if item deleted criterion' two measures assessing psychological capital and one measure assessing workplace negativity

have been dropped from the respective scales. Consequently, the value of Cronbach α statistics is found to range between 0.76 to 0.91, thereby, meeting the prescribed criterion value of 0.70. Further, the dimensionality of all the four constructs, namely, political behaviour, organizational commitment, psychological capital and workplace negativity has been analyzed by utilizing exploratory factor analysis approach (EFA). In this context, preliminary, the statistical appropriateness of EFA has been tested through the result values of KMO test and Bartlett's test of sphericity. The values of KMO are found in range between 0.76 to 0.85 which is above the 0.50 prescribed criterion suggested by Hair et al. (2012). Further, the values of Bartlett's test of sphericity are also found to be statistically ($p < 0.01$), thereby, reinforcing the statistical appropriateness of EFA in the present context. Further, the results of principal component analysis with varimax rotation has yielded single factor solution (on the basis of eigen value ≥ 1 criteria) in case of all the four aforesaid constructs with percentage of variance equals to 71 per cent, 69 per cent, 81 per cent and 79 per cent for political behaviour, organizational commitment, psychological capital and workplace negativity, respectively. The values of communality statistics and factor loading are also found to meet the referential criterion limit of 0.50 (as mentioned by Hair et al., 2012). This substantiates the dimensionality of the scales assessing political behaviour, organizational commitment, psychological capital and workplace negativity.

Furthermore, the structural validity of the constructs has been examined by employing confirmatory factor analysis approach (CFA). At the outset, the values of construct reliability and validity are found to meet the criteria described by Hair et al. (2012), i.e., all the values are ≥ 0.50 . Also, the model fit indices have been analyzed against the structural validity norm.

Table I: Model Fit Indices of Constructs

Constructs	CMIN(χ^2/df)	RMSEA	GFI	AGFI	CFI
Political Behaviour	2.43	0.03	0.91	0.85	0.97
Organizational Commitment	3.56	0.04	0.89	0.91	0.98
Psychological Capital	2.29	0.03	0.87	0.84	0.99
Workplace Negativity	4.12	0.05	0.84	0.87	0.97
Referential Values	< 5	< 0.06	≥ 0.85	≥ 0.80	≥ 0.90

Note: df = Degrees of Freedom; CMIN = chi-square; RMSEA = Root Mean Square Residual; GFI = Goodness of Fit Index; AGFI = Adjusted Goodness of Fit Index; CFI = Comparative Fit Index

Accordingly, the values of model fit indices, namely, CMIN, RMSEA, GFI, AGFI and CFI are found to meet the referential values as recommended by Hair et al. (2012) and Hu and Bentler (1999). Besides, the discriminant validity of the constructs have also been tested on the basis of the criteria narrated by Hammer et al. (2011) and Saade and Bahli (2005). The aforesaid criteria implies that the values of squared inter-construct correlation should be compared with the values of Average Variance Extracted (AVE) and the latter values should be greater than the former values for establishing Discriminant Validity (DV) of the constructs and so is the present case (refer Table 2).

Table 2: Inter-Construct Correlation Matrix

Constructs	AVE	Constructs			
		PB	OC	PC	WN
Workplace Negativity (WN)	0.76	0.87			
Political Behaviour (PB)	0.72	0.72*	0.85		
Organizational Commitment (OC)	0.82	0.72*	0.58*	0.90	
Psychological Capital (PC)	0.83	0.71*	0.57*	0.82*	0.91

Note: 1. * Statistically significant at 1 per cent level of significance

2. Diagonal elements (Bold figures) represent square root of AVE. Off diagonal elements are the values of correlation among the constructs

To summarize, the aforesaid results have depicted that the constructs possess sufficient level of reliability and validity, thereby, making the aforesaid four developed scale statistically appropriate for further analysis. In order to analyze, the impact of political behaviour, organizational commitment, psychological capital and socio economic characteristics on workplace negativity, multiple regression analysis approach has been utilized. For employing the said approach, average of the total score of all the aforesaid constructs have been taken since all the aforesaid four constructs have been measured by varied number of measures. But preliminary for exploring whether there exists significant relationship workplace negativity and the remaining three aforesaid constructs, correlation statistics has been employed.

Table 3: Results of Correlation Statistics

Constructs	Political behaviour	Organization commitment	Psychological capital
Workplace negativity	-2.150*	0.200*	0.368**
Political behaviour		0.004	-0.182*
Organization commitment			0.152*
Psychological capital			

Note: * Statistically Significant at 1 per cent level of significance; ** Statistically Significant at 5 per cent level of significance

As depicted in the Table 3, there exist significant correlation between workplace negativity and the other three constructs, namely, political behaviour, organizational commitment and psychological capital. Further, the correlation coefficient values presenting relationship between political behaviour, organizational commitment and psychological capital is found to be low, thereby, depicting statistical difference in these constructs. Since the values of correlation coefficients are found to be less than 0.50 in all the cases, no suspicion regarding heteroscedasticity and multicollinearity can be made as suggested by Hair et al. (2012).

Besides for exploring the impact of political behaviour, organizational commitment and psychological capital on workplace negativity, the regression equation set is for the model is as under:

$$Y = f(X1, X2, X3, \dots, X7)$$

Where, Y = Work place negativity

X1 = Political Behaviour; X2 = Organizational Commitment; X3 = Psychological Capital; X4 = Age; X5 = Qualification; X6 = Gender; X7 = Income

Table 4: Results of Multiple Regression Analysis

Model	Workplace Negativity	
	Coefficients	T
(Constant)	7.547	3.324**
Political Behaviour	0.141	3.221**
Organizational Commitment	-0.187	-2.073*
Psychological Capital	-0.076	-2.747*
Age	-0.053	-2.134*
Qualification	-0.040	-2.060*
Gender	-0.038	-1.430
Income	-0.073	-1.106
F Ratio	8.776**	
R Square	0.453	
Adjusted R Square	0.395	

Note: * Statistically Significant at 1 per cent level of significance; ** Statistically Significant at 5 per cent level of significance

As reflected from the Table 4, the statistically significant F ratio ($p < 0.05$) depicts the statistical fitness of the model. Further on the basis of t values, the results of regression analysis depicts that political behaviour, organizational commitment, psychological capital, age and qualification exhibit statistically significant impact on work place negativity. Political behaviour found to have positive impact on workplace negativity, while, organizational commitment, psychological capital, age and qualification are found to exhibit negative impact on workplace negativity. Whereas, gender and income has shown not statistically significant impact on workplace negativity.

5. Discussion and Implications

The results of the present study have unveiled that the employees with more political behaviour possess negative attitude at workplace. The underlying rationale can be that when employees' can utilize own or assigned power within the organization for the purpose of obtaining advantages beyond their legitimate authority, their attitude towards the work is comparatively more positive. These results corroborate with the research work of Vigoda-Gadot & Kapun (2005) and Vigoda-Gadot & Drory (2006). Moreover when employees are highly committed towards their work and the organizational goals, they also tend to form positive attitude towards the workplace which means low workplace negativity and thus, the relationship between workplace negativity and organizational commitment is inverse (Allen & Meyer, 1996). The same rationale can be held factual in the present case as reflected through the negative coefficient value. Further, it has also been found that employees with high psychological capital have low workplace negativity as depicted through negative

coefficient value. The underlying rationale can be same as described by Luthans et al. (2007) and Luthans & Youssef (2004). This rationale states that the employees with high psychological capital are optimistic and resilient owing to which they tend to form positive attitude towards their workplace. Adding more to the point, the results have also indicated that as the age increases by one unit, workplace negativity decreases by 5 percent and when qualification increases, workplace negativity starts decreasing. This can be due to the fact that as the age and qualification increases, employees tend to be more rational and practical regarding different possibilities in their personal lives as well as their professional lives and this, in turn, makes them habitual of all kinds of workplace adversities and opportunities owing to which they tend to have low workplace negativity.

The results of the present study has indicated the need enhance psychological capital of the employees. This can be done by enhancing their optimism level, their hopes from the job, etc. For instance one of the implications can be that seminars, one-to-one sessions can be conducted with the employees in order to introduce them with various opportunities at their workplace. In such sessions, employees also need to be informed regarding the possible negative reactions of other employees with probable explanation of the same. Another implication can be that that the organizations should try to align/related employee-specific goal with the goals of the organizations and in order to enhance organizational commitment but reducing workplace negativity. Further, practices, such as, flexi-time, work life balance initiatives, etc. should also be introduced for enhancing organizational commitment. Furthermore, organizations should try to channelize positive political behaviour for handling different employees differently based on their emotions, demographic profile, needs, motivation level, etc. While doing so, it should be kept in mind that excessive political behaviour or partial political behaviour should be avoided in order to enhance uniformity & transparency and reducing workplace negativity. Besides socio-economic profile of the employees, such as, age, qualification, etc. can be used by the organizations to explore the origin or chances of workplace negativity in order to nip the problem of workplace negativity in bud.

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IMPACT OF DEMONETIZATION ON INDIAN ECONOMY

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Abstract

Demonetization for us means that Reserve Bank of India has withdrawn the old Rs 500 and Rs 1000 Currency as an official mode of payment. According to Investopedia, demonetization is the act of stripping a currency unit of its status as legal tender. The old unit of currency must be removed and substituted with a new currency unit. The currency was demonetized first time in 1946 and second time in 1978. On Nov. 2016 the currency is demonetized third time by the present UPA Government. The brave step was taken by finance minister to removing black money from the currency and to control over the terrorism. Therefore, it is very important to evaluate the impacts that such a shock is expected to have on the economy. "The fallout of demonetization is on predicted lines the fact that money got deposited in banks doesn't make it legitimate money," the country was ready for demonetization even though there was political resistance. According to RBI about 99 per cent of Rs 15.44 lakh crore demonetized currency came back into the system. In this research paper I studied the effects of demonetization on GDP small scale business and common citizens. The process of demonetization in India has not been without its challenges. It has, however, had both positive and negative impacts in the short-term. It remains to be seen if the positive impacts will be long-lasting.

Keywords: *Commerce, Finance, Economy*

Introduction

Demonetization refers to an economic policy where a certain currency unit ceases to be recognized or used as a form of legal tender. In other words, a currency unit still loses its legal tender status as a new one comes into circulation.

The government can take such decisions to stop the circulation of a denomination of notes or coins in the economy.

The currency unit that has been demonetized is withdrawn from circulation. During the implementation of this policy, the currency unit that has lost its status as a legal tender is deposited with the banks or other authorized financial institutions and replaced with units that still have legal tender status.

The government from time to time formulates fiscal policies that are meant to spur economic growth. A lot of black money circulates in the economy, and most of it is unaccounted for because the sources of income are not known to the government. It can be money generated through illegal trade or unauthorized funding. To mop up this money out of circulation, the government can demonetize so that the money holders are forced to deposit the cash with the banks or lose their wealth. It is a strategy that has worked quite well for some countries.

Demonetization can also be referred to as the process of moving people from a cash-based system to a cashless system (digital system).

Keeping hard cash is a practice that is not encouraged by the government as well as financial institutions. It is easy for people to evade taxes in an economy where people mostly deal with cash. Keeping cash out of the bank also erodes the deposit base of these financial institutions and drives the cost of credits through the roof. It means that the government has to opt for foreign sources to secure funding and in the process increase the national debt. The

economic impacts of which are many and severe. Moving people to a cashless system is, therefore, a favorable economic policy for many stakeholders.

To demonetize in its simplest definition is thus to do away with cash. In a market environment that is mainly defined by technology and efficiency, it is every government's desire to have a huge section of the population embracing electronic and mobile payment methods.

There are several economic as well as social impacts of demonetization. It can reduce inflation, improve the economy, and result in financial behavior change among citizens. However, if not managed well, it may cause a lot of economic hardships to the people. How the process is managed immensely determines its effects on the economy of a country.

Advantages of Demonetization

1. Eradicate the use of fake currency.
2. Tackle with corruption due to currency upholds.
3. Withdrawal of old currency and bring unaccounted money back into the banking system by a considerable increase in bank deposits. With this the idle money becomes productive.
4. Encourage digital payment modes to reach the target of a cashless society.
5. Reduction of illegal activities.
6. Reduced tax avoidance by encouraging higher tax payments.

With a perfect implementation, demonetization policy can provide a great boost to any country's economy.

Disadvantages of Demonetization

Some of the disadvantages that may emerge could be:-

1. Inconvenience to the public.
2. Huge economic cost to the nation.
3. Disruption of business activities.
4. Decrease in sales, particularly cash based sales.
5. Labour / Wage payment issues.
6. Additional printing and distribution cost of new currency.
7. Problem situation for small-scale business operations that deal in cash.

Impact of Demonetization on Indian Society/ Economy –

We shall see a great impact of this move of the Central Govt on Indian Society and Economy. The first impact shall be that people will have lower expenditure power. With that they will not be able to purchase luxurious things.

There shall be no ostentatious expenditures on marriages and other ceremonies. So the society will grow lesser materialistic and people more prudent. With the fake money destroyed, Indian economy will see a big boom and the so-far-booming-real-estate-sector shall fall on the ground.

The things may be cheaper. Indian Currency may get respect at the international market. There may be a great check on the terror-related funding and therefore on terrorist

activities. Corruption shall be down to a great extent as people will stop the tendency of accumulating money using wrong means.

Demonetization has a big impact on Indian market and citizens like you and me. People flocked the banks to change their currency and stood in long lines in front of bank and ATMs for hours to draw their money also bank employees overworked with all their might so that each individual can take a sigh of relief. Surely, we have problems in but we also need to understand the importance of it. Just imagine if it was told a month ago, then all **black money** launderers could have managed their money in this or that form. That's why **it has to be a sudden and surprise act**.

This big move will certainly abridge the gap between the haves and the have-nots. However, there may be some difficulties for a couple of months. But this inconvenience shall be temporary and for short-term.

India is not the only country which used demonetization to deal with corruption, inflation or tax evasion. In Europe, when they introduced the Euro as European Union currency old currency was demonetized. In 2015, Zimbabwe demonetized their currency to eradicate their hyperinflation.

Demonetization can also be used to promote the “**Cashless Economy**“. As PM Modi aptly said, we might not be a completely cashless society soon but at least we can be “**Less Cash Economy**“. Under cashless economy, people conveniently pay for goods and services in a digital way than the cash from a small tea vendor to local grocery shops almost everyone learned the use of digital payment and that's a big achievement which is helping India becoming a digitized nation. Though we Indians love to handle the cash, such event was necessary **to change the mindset of people who loves cash**.

Those who had stashed the black money had no way to get it out left with no choice but to deposit this money to the government with hefty fines and their PAN number too. This brought a lot of black money and their owners under Income tax departments' radar. Their future financial activities can now easily get detected. This not only collected a big sum of money but acting as a brutal deterrent to the corrupt.

There was a very big amount of 500 and 100 rupees **fake currency** was in the Indian market, some of which was smuggled from neighboring terrorist supporting countries and some of it existed within India. As all these old notes needed to deposit to government those who had fake, counterfeit notes had no option but to burn their money. This definitely helped the Indian economy. Demonization is not the final and ultimate solution for counterfeit currency but it removed existing fake notes from India for time being. It is obvious that fake currency of newer notes will be again in the market but the government tried to make it difficult for them to counterfeit it by adding more security features in currency notes. But still, this is not the ultimate solution.

On another side, we can see a positive reaction from all over the world. Other countries who want to invest in India think that Indian government trying to solve Indian red tape and corruption. It will **draw more foreign investment in the country** which will help Indian government to become a business-friendly country.

Problems with Demonetization

Secrecy & Stakeholders

Everything on this planet has good and bad sides and demonetization is not an exception. The first and most important issue was its implementation. It is debated that implementation was not good, not all stakeholders were consulted in this project. But kind of

secrecy this project demanded it was not possible to some extent to consult all stakeholders. This brought up various problems later like adjusting the ATM machines to the new notes configuration, printing enough money and its distribution. But it did prevail its secrecy which was a paramount success factor for demonetization.

Life Loss

A lot of people struggled, died as direct and indirect effects of demonetization. Hospitals, clinics, sellers were not accepting the old money in the transition period. Some of them exhausted in the long queue under the hot sun, some injured in the agitations. This is one the biggest problem in demonetization implementation.

Credit to Bank Employees

Generally, nobody wants to see visit bank physically as they don't get treated well by bank employees especially in government banks. A common man had a not welcoming respect for bank employees in general. But in this demonetization transition bank employees did a marvelous job, they worked beyond their working hours and with the dedication which made this transition possible. But bank employees never got the sufficient appreciation and credit for their role.

Political Game

Every political party in opposition stood against the present government, they agitated showing that they are on people's side. It shows that no matter what been done for good of the nation, political parties in opposition will oppose it by taking the name of common on but working for own political agenda in mind. This shows for politicians the political game is more important than the nation. This time nations gave an impeccable answer by rejecting this fake emotion towards the common man.

Finding after 8 months

The Reserve Bank of India's Annual Report released on 30th Sept.2017 was much awaited by those who wanted to get a full sense of the impact of last year's demonetization exercise. What does the report tell us?

According to the government, the objectives of demonetization were: to eliminate fake currency; inflict losses on those holding black money and, in the process, create a windfall in terms of an enhanced dividend for the government from the RBI; additional tax collection, and the disruption of terror and criminal activities.

The Annual Report shows that during the year 2016-'17, Rs 41.5 crores worth of fake currency notes in the form of old Rs 500 and Rs 1,000 notes were detected in the banking system. This is well above the Rs 27.4 crores of fake currency detected in these denominations in 2015-'16. The estimate of the total fake currency in the system was Rs 400 crores. It is safe to say that fake currency in Rs 500 and Rs 1,000 denominations was eliminated as those notes can no longer be used anywhere. However, counterfeits of new Rs 500 and Rs 2,000 notes are already being intercepted, which suggests that the elimination of fake currency is not a lasting benefit and perhaps alternative approaches are required to address this problem.

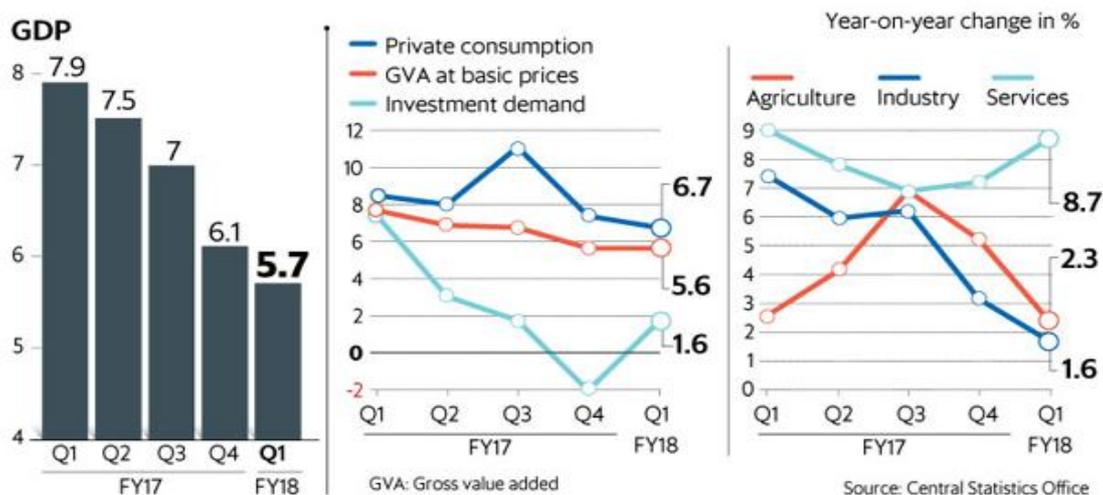
It is difficult to explain how the decision may have affected terror and criminal activities. Those commenting that demonetization has had a negative impact on these activities are mainly relying on anecdotal reports. It is possible that cash-based terror and criminal activities may have been disrupted for some time, as did cash-based legitimate

activity, but from the data on terror-related casualties, it is not clear that there has been a significant disruption.

Black money

On black money, the initial narrative by the government and its supporters was that a large amount of demonetized currency will not find its way back into the system. That is why a number of steps were taken to make it difficult to deposit old notes, and the exchange of old notes for new was stopped after just a few days of the demonetization announcement on November 8.

The GDP slow down in 2nd quarter of 2017



The RBI Annual Report says:

“Subject to future corrections based on verification process when completed, the estimated value of SBNS received as on June 30, 2017 is 15.28 trillion.”

As the estimated value of demonetized notes was Rs 15.44 lakh crore, only about Rs 16,000 crore worth of demonetized notes did not come back. Even this may be an overestimate, as the notes to be received from District Central Cooperative Banks and Nepalese citizens and Financial Institutions are yet to be added to the total value of notes returned. So, this purported benefit did not materialize in any significant way. It cannot be said that significant losses have been inflicted upon those holding black money. From the stated objectives of demonetization, the only variable that remains to be observed is the claim that it would lead to an increase in tax collection. On this front, it is too early to say anything with confidence.

Impact on monetary policy

While the benefits of the exercise are debatable, a relatively less deliberated issue is the impact on the conduct of monetary policy. The RBI formally became an inflation targeting central bank in 2016 but the liquidity surge in the banking system that came about in the aftermath of demonetization complicated the conduct of monetary policy. In addition to the conventional reverse repo auctions (an exercise to remove excess cash from the banking system), the RBI introduced an array of instruments to absorb demonetization induced liquidity from banks. Chief among them was the hike in incremental Cash Reserve Ratio – the percentage of cash deposits that banks must keep with the RBI– at 100% on deposits accrued between September 16 and November 11, and the increase in ceiling on the issuance of securities under Market Stabilization Bonds.

While the increase in incremental Cash Reserve Ratio dented banks' earnings as banks do not earn interest on the cash reserve parked with the RBI, the issuance of Market Stabilization Bonds marked a departure from their traditional role. These bonds are generally issued to mop up the excess supply of rupees arising from the RBI's intervention to purchase dollars. While the increase in these bonds represent an increase in quasi-fiscal cost (the interest payments are made by the government and this shows up as fiscal costs instead of appearing as reduced RBI profits) to the government, the repeated auctioning of such bonds (as the RBI report acknowledges) tends to push up the yields which may be contrary to the stance of monetary policy, which may be accommodative or at best neutral in the present low growth and investment regime.

The mopping up of liquidity eroded the RBI's earnings. Additionally, its expenditure on printing of currency doubled from last year. Overall, while its income for the year decreased by 23.56%, its expenditure increased by 107.8% resulting in a sharp decline in the RBI's surplus.

Demonetization served as a negative shock to the economy. Growth in the quarter following demonetization slowed to 6.1%, and to 5.7% in the next quarter (April-June). A number of small-scale businesses were adversely affected. The unorganized sector especially bore the brunt of the sudden shock. The lessons are clear: tax reforms and effective monitoring of suspicious transactions are a better alternative for addressing the issues that the policy-makers sought to fix through demonetization.

These 'other significant benefits of demonetization' are those positive outcomes which were not stated in the PM's speech of November 8 and probably the government was also not assigning sufficient value to them, before implementation and completion of the 50 days' period. One of them is the benefit which Finance Minister mentioned just recently, that the revenue through direct taxes received by central Govt has increased by 14.4% and through indirect taxes it is sure to increase by even greater extent. **Thus, the govt. is confident that the country is now with much better financial strength. This strength can be utilized in enhancing budget provisions for social sector and welfare schemes.**

Not only the central govt. It has also enhanced the revenue of all the state governments and (to even more extent) of the local self governments i.e. municipalities and all sorts of Panchayats. Since, the central government is the biggest beneficiary; the benefits are likely to trickle down too. Means the states will get more support and resources from the center and similarly all the lower level government bodies will get more resources from their higher level bodies. In addition to it, financial health of banks has greatly improved; a lot of money has come into the banking system and banks are having highest ever deposits. **Critics have alleged that this situation has been brought to waive off the loans of big defaulters. But, this is baseless and nearly impossible assumption only. Besides, govt. spokespersons, the directors of some major banks have also denied such allegations and stated that, the banks have no such intention.**

Another major benefit, which is not mentioned anywhere till now is that, this move is disclosing and likely to disclose more and more financial crimes and criminals, on daily basis and it is increasing effectiveness and efficiency of our law enforcement agencies. Actually, due to this move, they obtained great tool to catch and to prove the financial crimes. Indirectly, the whole phenomena is increasing morale of honest people and discouraging the dishonesty.

Finding of the study

The biggest failure was quite evident that the government, reserve bank and whole banking system failed to make the new notes available to the people in bear-able time span. It was mainly due to mistakes in the preparations and implementation of this massive exercise. **Here, we are mentioning just two blunders. One was that, they printed notes of Rs. 2000 denomination more in the beginning and the more desirable notes of Rs. 500 denomination came very late; which caused severe scarcity of smaller denomination currency. Secondly, govt. and RBI allowed unnecessary change in the size of new notes, because of which the notes could not be filled in the ATM's before some technical reconfiguration of the ATM's and thus the old notes could not be exchanged through ATM's causing a big delay in the crucial process of exchanging currency.**

Another big failure was that, govt. could not take sufficient steps to interdict black money holders to get their money deposited in other person's accounts. The banking system even could not timely check the deposition of fake currency during these 50 days. There exist some measures, which could have avoided these failures. But, we are not mentioning those suggestions here; because it is not the subject matter of this article.

The third failure of the move was also related with the implementation and due to not taking enough steps for making cash and credit available to the real needy people. There were three groups, which were in severe need of cash: 1) Farmers who had to invest for the Rabi crops, 2) MSME industries, which used to pay the wages in cash to the daily wagers, 3) The families which had to arrange for marriage of their young ones during this marriages season in India. The government took few steps to provide some cash to these people but mostly late, insufficient or associated with some cumbersome formalities. Out of these three, the second type of needy i.e. the MSME industries were worst affected and thereby a huge number of poor daily wagers lost their jobs and many of them had to face severe hardship.

EFFECTS OF GOODS AND SERVICE TAX ON INDIAN ECONOMY

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ABSTRACT

GST is one of the most crucial tax reforms in India, being implemented on 1st July 2017. More than 150 countries have implemented GST so far. Goods and service tax is major taxation scheme developed for achieving economic growth. Present taxation system is very complex as it includes cascading effects of the taxes. GST being one single indirect tax scheme for the entire nation will attempt to make India united common market. The contents of the research paper include the evolution of GST in India, how GST will function, the economic implication, the comparison of present and GST tax structure, and the basic challenges faced by GST.

INTRODUCTION

The Goods and Service Tax (GST) is a vast concept that simplifies the giant tax structure by supporting and enhancing the economic growth of the country. GST is comprehensive tax levy on manufacturing, sale and consumption of goods and services at national level. GST will be an indirect tax at all the stages of production to bring about uniformity in the system. There would be amalgamation of Central and State taxes into a single tax payment. It would also enhance the position of India in both, domestic as well as international market.

In order to avoid the payment of multiple taxes such as excise duty and service tax at Central level and VAT at the State level, GST would unify these taxes and create a uniform market throughout the country. Integration of various taxes into a GST system will bring about an effective cross-utilization of credits. The current system taxes production, whereas the GST will aim to tax consumption.

OBJECTIVE OF STUDY

The study has following objectives:

- To cognize the concept of GST.
- To study the features of GST.
- To evaluate the advantages and challenges of GST.

RESEARCH METHODOLOGY

Being an explanatory research it is based on secondary data of journals, articles, newspapers and magazines. Considering the objectives of study descriptive type research design is adopted to have more accuracy and rigorous analysis of research study. The accessible secondary data is intensively used for research study.

COMPONENTS OF GST

- **CGST(Central Goods And Service Tax):**

The tax will be imposed by the central government of India. It will replace excise duty, service tax, SAD (special additional duty), CVD (countervailing duty). It will be applicable on supplies within a state and the tax revenue will go only to the central government.

- **SGST(State Goods And Service Tax):**
The tax will be imposed by the state government. It will replace sales tax, VAT, entertainment tax, entry tax, luxury tax, octroi. It will be applicable on supplies within the state and the tax revenue will go only to the state government.
- **IGST(Integrated Goods And Service Tax):**
It will be imposed by both central and state government together, but is collected by the central government. The revenue is shared by both central and state governments. It will replace CST (central sales tax). It will be applicable on interstate import and supplies.

BENEFITS OF GST

GST has been envisaged as an efficient tax system, neutral in its application and distribution ally attractive. Some of its advantages are:

- Wider tax base, necessary for lowering tax rates and eliminating classification disputes.
- Elimination of multiplicity of taxes and their cascading effect.
- Rationalization of tax structure and simplification of compliance procedures.
- Harmonization of central and state tax administrations, which would reduce duplication and compliance costs.
- Automation of compliance procedures to reduce errors and increase efficiency.
- Goods and services are taxed at the same rates.
- Taxes on manufacturers are reduced.
- Helps in seamless flow of credit in the country.

TAX RATES UNDER GST

- 5%
- 12%
- 18%
- 28%

CHALLENGES UNDER GST REGIME

- **IT INFRASTRUCTURE** : A high end, technically capable, error free, effective and efficient IT Infrastructure is key component for success of GST. The system should be capable of
 - Centralized/ Integrated and dedicated software
 - Revenue Collection Mechanism
 - Refund Generation Mechanism
 - Tracking of inter-state movement of goods & services
 - Effective collection and interpretation of 8 million monthly returns.
 - Generation of Exception reports (e.g. list of payment defaulters) Thus a proficient IT Infrastructure is required for the national level coverage of GST.
- **INTER STATE TRANSACTIONS:** Taxability of services with inter-state coverage is yet another major area for negotiation. With respect to services such as transportation of passengers or goods in railways or telecom, "the place of sale and payment and the place of consumption may not coincide" and "allocation of revenue will have to be negotiated and settled". It is important to have clearly defined principles and rules for the allocation of revenue from transactions in such services. Though Central Government has put forward a tax revenue sharing program, but States aren't entirely convinced about it.

- **CONSTITUTIONAL AMMENDMENTS:** Now as both Centre & State would get power to tax on Goods & Services, a constitutional amendment is required. In order to enable the Centre and the State Governments to levy GST, the Constitution of India requires amendment to provide for powers to levy and collect GST both by the Union and the States. For this purpose, a new Fourth List is proposed to be created in the Seventh schedule of the Constitution to enable states to have the same powers as the Centre in administering the proposed Goods and Services Tax (GST). In the current scenario it is difficult to visualize constitutional amendments of such far reaching implications as the law also requires a two-thirds majority in Parliament for the constitutional amendment and that may attract politics which will act as a road block in the way of GST

LITERATURE REVIEW

Agogo Mawuli (May 2014)¹ studied, “Goods and Service Tax-An Appraisal” and found that GST is not good for low-income countries and does not provide broad based growth to poor countries. If still these countries want to implement GST then the rate of GST should be less than 10% for growth. Dr. R. Vasanthagopal (2011)² studied, “GST in India: A Big Leap in the Indirect Taxation System” and concluded that switching to seamless GST from current complicated indirect tax system in India will be a positive step in booming Indian economy. Success of GST will lead to its acceptance by more than 130 countries in world and a new preferred form of indirect tax system in Asia also. Ehtisham Ahmed and Satya Poddar (2009)³ studied, “Goods and Service Tax Reforms and Intergovernmental Consideration in India” and found that GST introduction will provide simpler and transparent tax system with increase in output and productivity of economy in India. But the benefits of GST are critically dependent on rational design of GST. Nitin Kumar (2014)⁶ studied, “Goods and Service Tax- A Way Forward” and concluded that implementation of GST in India help in removing economic distortion by current indirect tax system and expected to encourage unbiased tax structure which is indifferent to geographical locations. Pinki, Supriya Kamma and Richa Verma (July 2014)⁷ studied, “Goods and Service Tax- Panacea For Indirect Tax System in India” and concluded that the new NDA government in India is positive towards implementation of GST and it is beneficial for central government, state government and as well as for consumers in long run if its implementation is backed by strong IT infrastructure.

CONCLUSION

The proposed GST regime is a half-hearted attempt to rationalize indirect tax structure. More than 150 countries have implemented GST. The government should make an attempt to insulate the vast poor population of India against the likely inflation due to implementation of GST. No doubt that GST will give India a world class tax system by grabbing different treatment to manufacturing and service sector. But all this will be subject to its rational design and timely implementation. There are various challenges in way of GST implementation as discussed above in paper. They need more analytical research to resolve the battling interest of various stake holders and accomplish the commitment for a cardinal reform of tax structure in India.

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STUDY ON “SKILL DEVELOPMENT IN INDIA”

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ABSTRACT

The current population of India is 1,344,089,554 as of Wednesday, August 9, 2017, based on the latest United Nations estimated. India population is equivalent to 17.86% of the world population. India ranks 2nd in the list of countries by population. The requirement of development is much needed in India and 65% of its youth is in working age group from 15 to 59 years. Provides training, support and guidance for all occupations that were of traditional type like carpenters, cobblers, welders, blacksmiths, masons, nurses, tailors, weavers etc. To fulfill this requirement PM Modi has launched various motivating program to develop the skill of the people. To train people PM Modi launched various schemes and activities. Schemes are Pradhan Mantri Kaushal Vikas Yojana, National Skill Development Mission, National Skill Development Agency (NSDA) & National Skill Development Corporation.

The objective of the skill development program is to bridge the gap of lack of skill in today's labour, motivate people to become entrepreneur. People are getting upgrade skills training program of international standards through significant industry involvement and developing necessary frameworks for standards, curriculum and quality assurance. It is playing very important role of a "market-maker" by bringing financing, particularly in sectors where market mechanisms are ineffective or missing. In this research paper, the main focus is on objective of skill development in India. The objective of this research paper is to study benefits, positive results and to put light on the outcome and futuristic vision of the scheme. The descriptive research methodology has been adopted for the research study.

Key Word :- Skill Program, PM Modi, Population, Entrepreneur, Various schemes, Training and central government.

Introduction: -

“Education, vocational training and lifelong learning are central pillars of employability, employment of workers and sustainable enterprise development” - International Labour Organization. Skill India is a movement launched by Prime Minister Narendra Damodardas Modi on 15 July 2015 which aim to train over 40 crore (400 million) people in India in different skills by 2022. It comprises various initiatives of the government like "National Skill Development Mission", "National Policy for Skill Development and Entrepreneurship, 2015", "Pradhan Mantri Kaushal Vikas Yojana (PMKVY)" and the "Skill Loan scheme". The country presently faces a dual challenge of severe paucity of highly-trained, quality labour, as well as non-employability of large sections of the educated workforce that possess little or no job skills. The skill development issue in India is thus pertinent both at the demand and supply level. To meet the demand side challenge, consistent efforts are being made towards expansion of economic activities and creation of large employment opportunities.

Objectives of the Study: -

- 1) To analyze the Skill India Programme.

- 2) To identify the various institutional frameworks which can act as the vehicle to reach the expected outcomes?

Research Methodology: -

The research paper is an attempt of exploratory research, based on the secondary data sourced from journals, magazines, articles and media reports. After analyzing the requirements of the objectives to study the research design employed is of descriptive type. Keeping in view of the set objectives, this research design is adopted to have superior accuracy and in deepness analysis of the research study. This data is based on secondary data broadly used for the study. The researcher procures the required data through secondary survey method. Different news articles, Books and Web were used which were enumerated and recorded.

01. Current status of skills in India: -

India is presently the youngest nations in the world with more than 54% of the total population below 25 years of age. India's current employee's status is second largest in the world after China's. While China's demographic share is likely to start tapering off by 2015, while India will carry on to enjoy it till 2040. On the other hand, India's have appropriately skilled workforce percentage is approximately 2% - South Korea (96%), Japan (80%) and which is dismally low compared to China (47%). To pull our demographic share more significantly and meaningfully, the Government has launched the scheme "Skill India" campaign along with "Make in India".

→ Requirement of skill India.

In market many job opportunities are available, but due to lack of skill and professionalism. This is resulting in a scenario of rising of unemployment rates along with low employability. The researcher pointed out few things why there is requirement of skill India is as under.

1. Quality Factor.
2. Our University courses (B.E, MBA & etc) focuses on theory oriented part and not much on practical part.
3. Poor language skills.
4. Lack of presentation skills.

→ Job Creation:

The job creation remains the single biggest failure of the government. The labour bureau data show that job creation could be at the lowest in 8 years. Dattatreya, who released a book on the achievements and initiatives of the Ministry of Labour and Employment during the last three years, announced various programmes for job creation. He said over 3.87 crore candidates and 14.8 lakh establishments had registered on the National Career Service (NCS) portal which has mobilised over six lakh vacancies. He also cited that around 540 job fair had been organised in 2016-17.

→ Skill workforce is required in corporate sector:

CII (2009) had projected that Incremental Human Resource Requirement will be till 2022 at 201 million, making the total requirement of skilled workforce by 2022 at 300 million. More recently, study reports commissioned and released by Ministry of Skill Development assessed an incremental human resource requirement across 24 sectors as 109.73 million by 2022.

→ Measures taken by government of India to improve the workforce skill:

The government has realised Skill Development in India is required, in the 11th Five Year Plan. The BJP government have framed the first National Skill Development Policy in 2009 and subsequently a National Skill Development Mission was launched in 2010. The main instantiation of this policy is to study and evaluate the progress every year. The government main focus on the development of the workforce to make them skillful. The NDA government created a Ministry of Skill Development & Entrepreneurship, SMART, NSDC, NSDA, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) to address the Skill Development needs.

Skill Management and Accreditation of Training Centres (SMART)

Skill India is a government of India initiative which has been launched to empower the youth of the country with skill sets that makes them employable & more progressively towards becoming a global knowledge economy, it must meet the aspirations of youth and aim towards skilling them with the best possible standards. SMART provide a mandatory single window in IT application that focusses on the accreditation, affiliation and continuous monitoring of the training centres in the skill ecosystem and intends to address the important issues like evaluating skill provide in an objective manner, fostering excellence in training center, enabling trainees to make informed choices with regards to training centres, etc. SMART facilitates standardized and effective processes with respect to accreditation and continuous monitoring of training to the workforce.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE). The objective of this Skill Certification Scheme is to enable a large number of Indian youth to take up industry-relevant skill training that will help them in securing a better livelihood. Individuals with prior learning experience or skills will also be assessed and certified under Recognition of Prior Learning (RPL).

Key Components of the Scheme

1. Short Term Training Program.
2. Recognition of Prior Learning.
3. Special Projects.
4. Kaushal & Rezgar Mela.
5. Placement Assistance.
6. Continuous Monitoring.
7. Standardized branding and communication.

National Skill Development Agency (NSDA)

The National Skill Development Agency (NSDA), an autonomous body, (registered as a Society under the Society's Registration Act 1860) was created with the mandate to coordinate and harmonise the skill development activities in the country, is part of the Ministry of Skill Development & Entrepreneurship (MSDE)

Following are the action taken by NSDA to improve the

1. Take all possible steps to meet skilling targets as envisaged in the 12th Five Year Plan and beyond.

2. Coordinate and harmonize the approach to skill development among various Central Ministries/Department. State Governments, the NSDC and the Private sector.
3. Create and maintain a national data base related to skill development including development of a dynamic Labour Market Information System (LMIS).
4. Ensure that the skilling needs of the disadvantaged and the marginalized groups like SCs, STs, OBCs, minorities, women and differently abled persons are taken care of and.
5. Creation of an integrated Labour Market Information System
6. Skills Innovation Initiative.

National Skill Development Corporation (NSDC)

The National Skill Development Corporation India (NSDC) was set up as a one of its kind, Public Private Partnership Company with the primary mandate of catalysing the skills landscape in India. NSDC is a unique model created with a well thought through underlying philosophy based on the following pillars:

Create: Proactively catalyse creation of large, quality vocational training institutions.

Fund: Reduce risk by providing patient capital. Including grants and equity.

Enable: the creation and sustainability of support systems required for skill development. This includes the Industry led Sector Skill Councils.

The main objectives of the NSDC are to:

1. Upgrade skills to international standards through significant industry involvement and develop necessary frameworks for standards, curriculum and quality assurance
2. Enhance, support and coordinate private sector initiatives for skill development through appropriate Public-Private Partnership (PPP) models; strive for significant operational and financial involvement from the private sector
3. Play the role of a "market-maker" by bringing financing, particularly in sectors where market mechanisms are ineffective or missing
4. Prioritize initiatives that can have a multiplier or catalytic effect as opposed to one-off impact.

Conclusion:-

After studying the research paper the researchers have come to the conclusion that in India the rate of young people is more as compared to other country and they found that in India the requirement of skill development is much needed & 65% of its youth is in working age group from 15 to 59 years. To develop the skill in workforce government of India is playing a vital role and encouraging various schemes, training programme, formal education, technical support and vocational training is given to bridge the gap and initiatives are taken by government of India for the skill development. The study finds out the overall status of skill India Programme.

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CHALLENGES & PROSPECTS OF NATIONAL SKILL DEVELOPMENT PROGRAM

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Abstract

The present global scenario is based on the countries progress. Every key age group of country contributes in development of a country's economy. Indian skill development program targets the youth who have the potential but requires knowledge & training to excel in career. By developing youths of nation any country can find a developing phase for long term which will benefit the country at national & international level. The paper is based purely on data from secondary sources which outlines the steps & formulation of skill development program by which a new developing country can be seen. Paper also highlights the issues & challenges in some sectors & solutions to sustain & develop this program.

Keywords: *Global, skill development, training, issues, challenges*

Introduction

It is not that skill and training have been given high priority by the government for the first time under the current regime. Underlining the importance of skill development and vocational education, the 12th Five Year Plan (FYP) document informs us that while falling labour force is a major concern in most industrialised countries and also China, India has the benefit of a demographic dividend because the age structure of the population ensures that the labour force will be growing. It is a different matter, however, that the Planning Commission, which prepared the plan was replaced by the NITI Aayog as soon as the NDA came to power. Nevertheless, the importance of the 12th FYP document cannot be ignored.

The 12th FYP, which was prepared under the United Progressive Alliance in its second term (UPA-2), emphasises the need to connect the Skill Development Mission with market demand. The document mentions that in order to ensure that skills match demand, employers and enterprises must play a vital role to play in the conception and implementation of vocational training programmes, including managing Industrial Training Institutes (ITIs) and in the development of faculty. The FYP document also calls for an enabling framework that would attract private investment in Vocational Training through Public-Private Partnership (PPP). The importance of harnessing the respective strengths of public and private sector entities engaged in skill development is underlined. Other areas of focus that the plan document spells out include mobilising the required investments, setting up first rate ITIs, ensuring efficiency in operations and management and enabling post-training employment. While these were considered the primary responsibilities of private sector entities, the government was also envisaged to play a role in providing an enabling framework and the requisite financial support, especially in respect of Scheduled Castes, Scheduled Tribes, minorities, differently-abled persons and other deprived sections of society. The plan says that skill development programmes should have backward linkages with school programmes and forward linkages with industry and other service sectors who can be potential employers of skilled manpower. In short, skill shortage was identified as a major constraint for attaining the growth of the manufacturing sector. It would, therefore, not be an exaggeration to say that the NDA is following in the footsteps of the previous UPA government for attaining higher growth by imparting skills to India's labour force. However, the 12th FYP embarked on a relatively modest target of skilling 80 million people until 2019,

which leaves around 400 million people to be trained in the 13th FYP by 2022, according to the 4th Annual Employment-Unemployment Survey Report 2013-14 of the Labour Bureau. (<http://indiatogether.org/the-skills-journey-economy>)

Objective of the study

- 1) To understand the framework of Skill Development plan of India.
- 2) To analyse various domains of skill development.
- 3) To understand & analyse the challenges in future.

Background of the Skill Development Program

Despite the capacity of skill development programmes being just 3.1 million during 2009, the National Skill Development Policy (NSDP) of the UPA set a target of skilling 500 million people by 2022, which was a much higher target than that set under the Skill India Mission of the NDA. Among other things, one of the operational strategies of the NSDP was to ensure availability of public institutions above the high school level, which would offer training after class hours for skill development. The other strategy was to create a National Vocational Qualification Framework (NVQF) with an open/flexible system, which would permit individuals to acquire and build on their knowledge and skills, and convert them through testing and certification into higher diplomas and degrees. The NSDP (2009) also addressed the need for strengthening the skill base of the unorganized sector so as to improve productivity, working conditions, labour rights, social security and living standards.



2) National Skill Development Policy (2009)

Ministry is an integral part of the government policy on "Sabka Saath, Sabka Vikaas" and its commitment to overall human resource development to take advantage of the demographic profile of our country's population in the coming years. Developing a comprehensive and holistic policy document is an integral part of the process. This requires a fresh look at the already existing National Policy on Skill Development (NPSD), 2009.

The objective of the National Policy on Skill Development and Entrepreneurship, 2015 will be to meet the challenge of skilling at scale with speed and standard (quality). It will aim to provide an umbrella framework to all skilling activities being carried out within the country, to align them to common standards and link the skilling with demand centres. In addition to laying down the objectives and expected outcomes, the effort will also be to identify the various institutional frameworks which can act as the vehicle to reach the expected outcomes. The national policy will also provide clarity and coherence on how skill development efforts across the country can be aligned within the existing institutional arrangements. This policy will link skills development to improved employability and productivity. (<http://www.skilldevelopment.gov.in/National-Policy-2015.html>, 2017)

3) National Skill Development Agency (NSDA)

The National Skill Development Agency (NSDA) is an autonomous body under the Ministry of Skill Development and Entrepreneurship, Government of India, which coordinates and harmonizes the skill development efforts of the Indian government and the private sector to achieve the skilling targets of the 12th Plan document and beyond. The NSDA plays a pivotal role in bridging the social, regional, gender and economic divide by ensuring that the skilling needs of the disadvantaged and marginalized groups like SCs, STs, OBCs, minorities, women and differently-abled persons are taken care of through the various skill development programmes and also by taking affirmative action's as part of advocacy. The Central Ministries and NSDC continue to implement schemes in their remit. The NSDA's role is also to anchor the National Skills Qualifications Framework (NSQF) and facilitate the setting up of professional certifying bodies in addition to the existing ones. (<http://www.nsd.gov.in/>)

The NSDA will discharge the following functions:

- Take all possible steps to meet skilling targets as envisaged in the 12th Five Year Plan and beyond;
- Coordinate and harmonize the approach to skill development among various Central Ministries/Departments, State Governments, the NSDC and the private sector;
- Anchor and operationalize the NSQF to ensure that quality and standards meet sector specific requirements;
- Be the nodal agency for State Skill Development Missions;
- Raise extra-budgetary resources for skill development from various sources such as international agencies, including multi-lateral agencies, and the private sector;
- Evaluate existing skill development schemes with a view to assessing their efficacy and suggest corrective action to make them more effective;
- Create and maintain a national data base related to skill development including development of a dynamic Labour Market Information System (LMIS).
- Ensure that the skilling needs of the disadvantaged and the marginalized groups like SCs, STs, OBCs, minorities, women and differently abled persons are taken care of;
- Discharge any other function as may be assigned to it by the Government of India.

The main goal is to create opportunities, space and scope for the development of the talents of the Indian youth and to develop more of those sectors which have already been put under skill development for the last so many years and also to identify new sectors for skill development.

4) National Skill Development Corporation(NSDC)

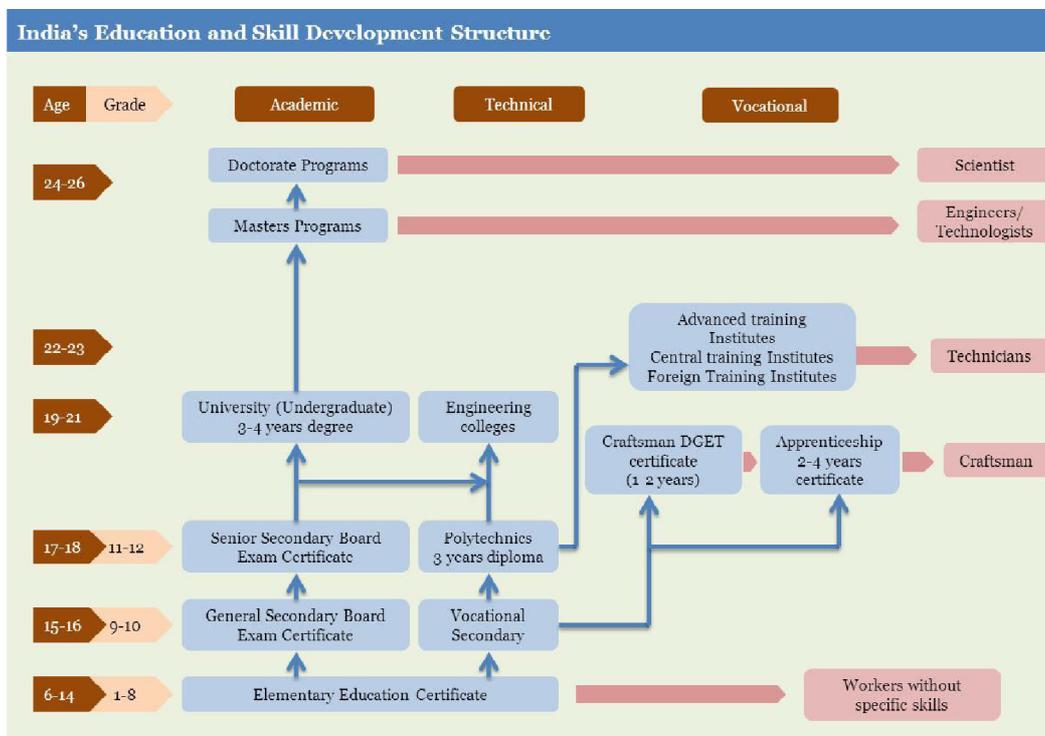
The National Skill Development Corporation (NSDC) is a one-of-its-kind, Public Private Partnership (PPP) model in India, under the Ministry of Skill Development & Entrepreneurship (MSDE). It aims to promote skill development by catalyzing creation of large, quality and for-profit vocational institutions. A not-for-profit company set up by the Ministry of Finance, under Section 25 of the Companies Act, it has an equity base of Rs.10 crore, of which the Government of India holds for 49%, while the private sector has the balance 51%.

NSDC provides funding to build scalable and profitable vocational training initiatives. Its mandate is also to enable support system which focuses on quality assurance, information

systems and train the trainer academies either directly or through partnerships. NSDC acts as a catalyst in skill development by providing funding to enterprises, companies and organisations that provide skill training. It will also develop appropriate models to enhance, support and coordinate private sector initiatives. The differentiated focus on 21 sectors under NSDC’s purview and its understanding of their viability will make every sector attractive to private investment. (<https://www.nsdcindia.org>)

Engagements of world with India for Skill development Program.

Sr. No	Name of Country	No. of MoU
1	United Kingdom	5
2	Germany	2
3	Australia	4
4	USA	2
5	Canada	1
6	Singapore	1
7	European Nation	1
8	France	1
9	Iran	1
10	China	1



Findings/Results

India’s transition to one of the largest and fastest growing global economies during the last decade has been a remarkable phenomenon. In order to sustain its growth trajectory, an efficient and continuous system of skill development for its workforce is critically

imperative for India. Therefore, this section is devoted to portray the current skill capacity of India; the major challenges in the successful implementation of skill development initiatives along with their way outs or suggestions. Present Scenario of Skill Capacity of India In order to capitalize the demographic dividend, India will need to empower its workers with the right type of skills. Thus this section depicts the present skill levels of the Indian workforce in the age group of 15-59 years in the form of their general educational levels and vocational training levels.

- The drop-out rates of educational institution was estimated to be 50% in the age group of 5-14 years and 86% after 15 years of age and in contrast to this the participation rate of the workforce rises rapidly after 14 years of age and it results in a semi-literate workforce which finds it difficult to absorb higher form of skills.
- 38% of Indian workforce is illiterate, 25% has education below primary or up to primary level and remaining 36% has an education level of middle and higher level. • 80% of Indian workforce does not possess any marketable skills.
- Only about 2% have received formal vocational training and 8% non-formal vocational training, thereby implying that very few new entrants to the work force have any marketable skills as compared to developed economies such as Korea (96%), Germany (75%), Japan (80%) and United Kingdom (68%). If skills are not provided to both new and existing workforce. Thus, there is a need for increasing capacity and capability of skill development programs. In this direction, both the Government and its partner agencies have undertaken various measures/ initiatives for the effective implementation of the skill development system in the economy. But still India faces a number of unresolved issues and challenges that need immediate attention of the policy makers. Hence, the next section deals with some of these bottlenecks along with their way outs. Challenges before Skill Development Initiatives in India & Ways Forward Despite various concentrated efforts, there is still a long way to bring the skill development mission to completion due to the presence of certain serious key challenges in the path of the mission.

Geographical Problem

It is another serious problem plaguing the labour market and has a more serious impact in larger economies like India as the geographical set-up or outreach of the people for skills in India are uneven and in dismal share.

- The states with much higher economic growth rates have more new jobs with lower rate of labour-force while on the other hand; the states with slower economic growth rates have higher population growth rates with fewer new jobs. Thus laggard states need to rely on migrant workers so as to cope with this challenge.
- Districts notified as backward have serious paucity of formal skill training as majority of skill development institutions in these locations emphasized only on basic livelihood skills and that is generally provided by NGOs or provided by other agencies as a part of social development programs. Therefore, these types of skills are often not formally assessed and as a result are not recognized for employment by industrial sectors. There is lack of block level mapping of employment demand, local economy activities, youth population profile, social demographic profile etc. This leads to sub-optimal planning of skill development initiatives resulting in a gap between skill development and local employment demand.

Way Ahead

- In order to combat the problem of large geographical and socio-economic conditions of the economy, the Government along with its partner agencies should set-up more standardized skill based institutions or skill development centres across the country, particularly in laggard/backward states with a view to provide equal access to all segments and sections of the society, so that the whole society gets the benefits of the skill initiatives and strategies.
- There are about 1.5 million schools in India with a total enrolment of 250 million students (from pre-primary to high/senior secondary levels) i.e. schools constitute the maximum number of enrolments.
- Higher education sector comprises around 20.7 million. The total number of students enrolling for open universities and other diploma courses constitute 24.3% of the total students.
- Majority of the current government schemes of India like Swarnjayanti Gram Swarozgar Yojana (SGSY), Roshini and Himayat aimed at providing employment to around 75% people at above minimum wages; while in reality significant number of trainees are still not able to get jobs or some dropped due to inadequate wages or poor working conditions etc. For instance, in case of Himayat scheme which was launched as a training-cum-placement program for the unemployed youth of J & K in 2011, with a view to train 100,000 youth in 5 years and to provide jobs to at least 75% of them results in the following: → Only 1,904 youths applied for various courses in the first year of the scheme. → Merely 37% participants have been placed within two years of the scheme. Way forward: In this era of knowledge highly skilled workers who are flexible and analytical in nature are recognized as the driving force for innovation and growth. To achieve this India need flexible education system with multi-faceted and highly efficient skill development system. This system must provide linkages between each of its constituents and provide a seamless integration between skill development and employment. namely computers, software's, tools, machines etc. and qualified instructors so that they provide high-quality skills as required by industrial sectors and relevant practical exposure to the students. Secondly, appraisal of institutes against standard norms and guidelines need to be conducted regularly and ratings should be based on outcomes assigned to every institution. Training of Trainers: Training of trainer is one of the important key of the skill development framework. And absence or inefficiency of the same would result in serious bottleneck in the implementation of skill development projects.

Conclusion

To develop youths in field of skills & knowledge, various domains of education, institutional sources, and support from government should be analysed & plans should be executed. The skill development is not only a long term flagship program but also an continuous approach path for which concrete plans with implementation & execution to the final result is expected.

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A STUDY ON NON-PERFORMING ASSETS OF PRIVATE SECTOR BANKS IN INDIA

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ABSTRACT:

The Indian banking sector has been facing serious problems of raising Non-Performing Assets (NPAs). The NPAs growth has a direct impact on profitability of banks. NPAs reflect the performance of banks. A high level of NPAs suggests high probability of a large number of credit defaults that affect the profitability and net-worth of banks and also erodes the value of the asset. NPAs also pose threat on quality of asset and survival of banks. The problem of NPAs is not only affecting the banks but also the whole economy. In fact high level of NPAs in Indian banks is nothing but a reflection of the state of health of the industry and trade. It is necessary to trim down NPAs to improve the financial health in the banking system. The current paper attempts to analyse the trend of non-performing assets for last 5 years from 2013-2017 of 5 private sector banks, by using NPA ratios analysis & also studying the factors contributing to NPA and its impact on banking industry.

Key Words: Non-Performing Assets, Private Sector Banks.

INTRODUCTION

A sound banking system is required for a healthy growth of an economy. But increasing non-performing assets problem is the biggest impediment that chokes Indian banking lenders' effective operations. Assets generating income are called performing assets and those do not generate income are called non-performing assets. The main business of a banking company is to receive deposits and lend money. Receiving deposit involves no risk, since it is the banker who owes a duty to repay the deposit, whenever it is demanded. On the other hand, lending always involves high risk because there is no certainty of repayment. A banker shall be very cautious in lending, because he a major portion of the money lent comes from the deposits received from the public. Therefore while sanctioning credit the banker should appraise the project reasonably or else it leads to the non-repayment of loans and advances.

Non-Performing Asset: A non-performing asset (NPA) refers to a classification for loans on the books of financial institutions that are in default or are in arrears on scheduled payments of principal or interest. In most cases, debt is classified as non-performing when loan payments have not been made for a period of 90 days. Most of the banks today in India are facing the default risk wherein, some part of the profit is reserved for covering the non-performing assets.

LITERATURE REVIEW

Non-performing assets are an interesting area to study for banks. There have been several studies done in this regards and authors have contributed their thought in the books, journal, e-resources etc. The author has referred few selected sources and conducted a literature review with respect to the research on NPAs.

Ashly Lynn Joseph & Dr. M. Prakash (2014), studied on analyzing the trend of NPA level in private sector banks & public sector banks. The paper basically deals with the trends of NPA in banking industry, the factors causing NPA in the banking industry and also provides some suggestions to overcome this burden of NPA on banking industry.

Srinivas K T (2013) studies the NPA of Commercial Banks in India. The paper was undertaken to study the reasons for advances becoming NPA in the Indian Commercial banks Sector. The researcher has compared NPA of commercial banks public, private & foreign banks for comparison purpose. It concluded that the banks can avoid sanctioning loans to the non creditworthy borrowers by getting formal & informal reports about the customer.

B. Balaji Sathya Narayanan & R Surya (2014) presented a study on Non-Performing Assets in Indian Bank. The research was carried out to identify the factors accounting for bad loans, and measure the impact of Non-Performing Assets on Indian Bank's Financial Performance. It also forecasted the Non-Performing Assets and bad debts that could be written-off by the Indian Bank and to provide suggestion to the branch office for efficient loan recovery and Non-Performing Assets Management.

Ayub Ahamed KS & Vishwanath Panwar (2016) attempted to compare NPA's in private sector banks and public sector banks. The criterion was how they manage their NPA maintenance for good performance. The Researcher selected 3 public & private banks each for comparative analysis. The study showed that the NPA of the public sector banks are higher when comparing to the private sector banks.

Sulagna Das & Abhijit Dutta (2014) tried to analyse the 6 years (2008-2013) net NPA data of 26 public sector banks, by using Anova statistics, and with the help of SPSS software. The main objective of the study was to find out if there are any significant differences in the mean variation of the concerned banks. The paper also focused on the reason behind the NPA and its impact on banking operations.

Mohammed Arif Pasha & T. Srivenkataramana (2014) studied the issue of Non-Performing Assets (NPA) in the banks. The magnitude and trend in NPA are studied for the 5 year period 2008-13, using a suitable classification of the banks. A critical evaluation of the reasons and a few recommendations were made which have positive practical implications.

STATEMENT OF THE PROBLEM

Non-Performing Assets is a topic of concern for the private sector banks, as managing and controlling NPA is very important. The existence of the bank would be difficult if huge advances turn out to be NPA. The banks with higher NPA can lose the confidence of the customer and also it would affect the liquidity, profitability and solvency position of the bank. Hence the Researcher opted to study NPA trend in private sector.

OBJECTIVES OF THE STUDY

1. To find out the factors that contributes to NPA and its impact.
2. To study NPA trend in last 5 years of selected private sector banks.

SCOPE OF THE STUDY

The scope of the study is limited to the last five financial years 2013-2017 on the top five private sector banks on the basis of net sales which include the HDFC Bank, ICICI Bank, Axis Bank, Kotak Mahindra Bank and Yes Bank.

RESEARCH METHODOLOGY

The researcher has selected descriptive and analytical research design. The study is to be carried out with the help of secondary data such as past research papers on similar topics, annual reports, websites, newspapers, etc. for the purpose of understanding factors contributing to NPA and its impact and also to study NPA trend of five private sector Banks for last 5 years from 2013-2017. The tool used for analysing the trend is NPA ratio analysis focusing on Gross NPA ratio, Net NPA ratio, Problem Asset ratio & Shareholders Risk ratio.

DATA COLLECTION

The present study is mainly based on secondary data. The required data were collected from the annual reports of the Banks through their websites, reports, articles, journals and certain other web sites etc. The primary data was also collected from the bank officials regarding the factors contributing to NPA and its impact on bank.

DATA ANALYSIS

Objective 1: To find out the factors that contributes to NPA and its impact.

Factors contributing to NPA

Various reasons can be cited for an account becoming NPA. An asset leads to NPA when the borrower fails to repay the interest and/or principal on agreed terms. The reasons for NPA are classified differently as follows on the basis of responses collected from bank officials and past research papers:

- I. Internal factors
- II. External factors
- III. Other factors

Internal factors: Internal factors are factors contributing in increase in NPA within the organisation to which banks provides loans and advances.

- a) Diversion of fund for expansion, diversification or for taking up new projects.
- b) Diversion of fund for assisting or promoting associate concerns.
- c) Time or cost overrun during the project implementation stage.
- d) Business failure due to product failure, failure in marketing etc.
- e) Non transparent accounting policy and poor auditing practices.

External factors: External factors are environmental factors with which the organisation is associated, to which banks provide loans and advances.

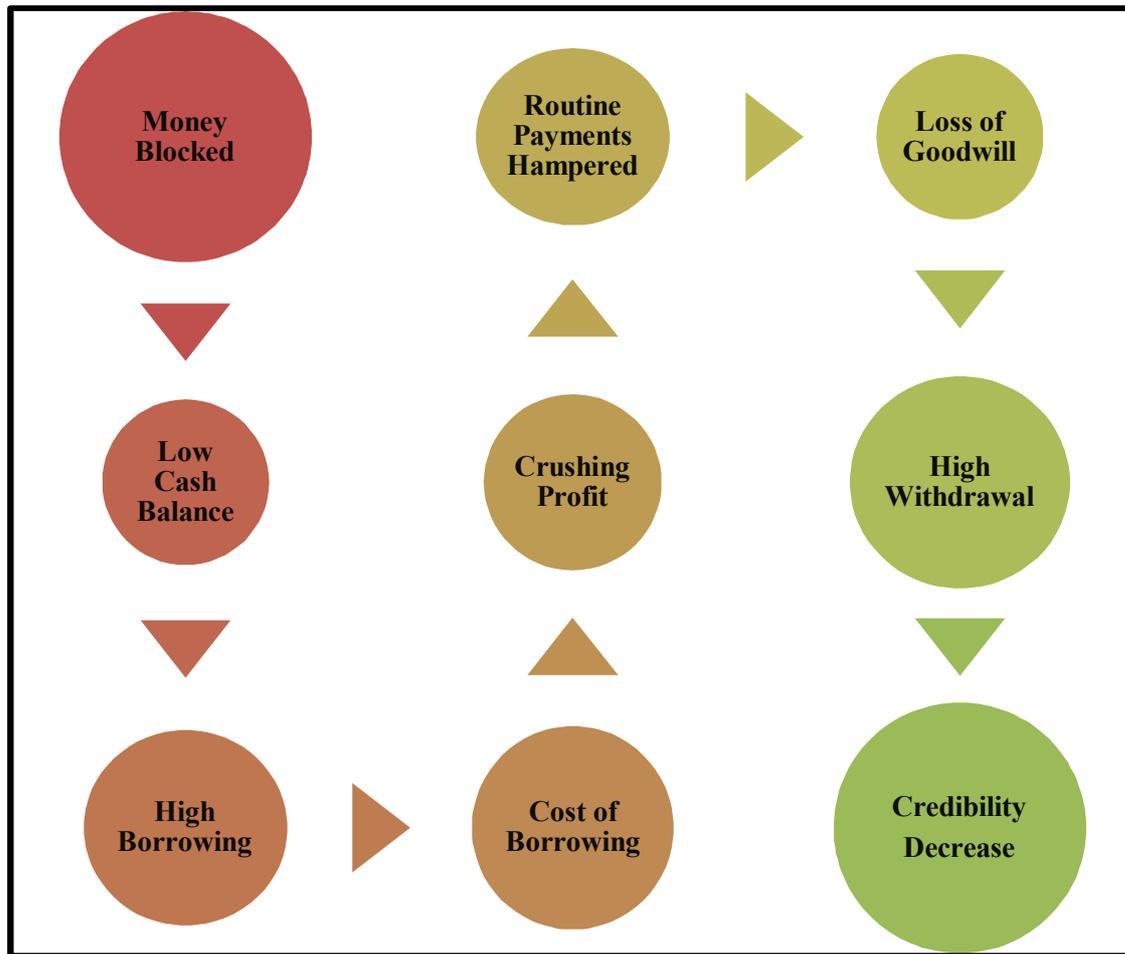
- a) Recession in the economy as a whole.
- b) Industry related problems
- c) Price escalation of inputs.
- d) Exchange rate fluctuations
- e) Change in government policies

Other factors

- a) Lack of proper monitoring and follow-up measures.
- b) Sudden crashing of capital market and inability to raise adequate funds.
- c) Mismatching of funds i.e. using loan granted for short term for long term transactions.
- d) Diversion of funds to certain sectors of the economy on government directives.
- e) Wilful defaults, fraud, mismanagement and misappropriation of funds.

Impact of NPA

Chart no. 1: Credibility Impact Model (CIM)



(Source: Self developed model on the basis of understanding of impact of NPA)

Explanation of the Credibility Impact Model (CIM)

The problem of NPAs in the Indian banking system is one of the most formidable problems that had impact on the entire banking system. Higher NPA ratio trembles the confidence of investors, depositors, lenders etc. It also causes poor circulation of funds, which in turn will have deteriorating effect on the deployment of credit. The non-recovery of loans effects not only further availability of credit but also the credibility of the banks.

Money of banking institution gets blocked in the form of loans and advances given to customers or other business organizations due to the selection of wrong customers. This in turn reduces the cash in hand with banks for its day to day operations, which then leads to borrowing money for short period of time from outside on certain terms and condition. Borrowing leads to additional cost burden to the bank such as interest charges, other borrowing charges, etc. This crushes down the profits of bank leading to low growth of banks and decrease in its profitability.

The profitability of bank decreases not only by the amount of NPA but NPA leads to opportunity cost also as that much of profit can be invested in some return earning asset. So NPA not only affect current profits but also future stream of profits, which may lead to loss of some long-term beneficial opportunity. This in turn hampers the operating functions of bank by lack in money available for routine payments and dues on time.

In case of bank facing such problem of NPA then it adversely affect the value of bank in terms of market credit it will lose its goodwill and brand image. If customers are not satisfied on time and on demand, banks lose its customers. Due to which, withdrawal by dissatisfied customer's increases, hence banks liquidity is highly hampered, bank operations run out of cash, because of such situation, banks are unable to attract new customers and bank loses its credibility. It shakes the confidence of general public in the soundness of the banking system.

In a nutshell, the high incidence of NPA has cascading impact on all important financial ratios of the banks, which may likely to erode the value of all stakeholders including Shareholders, Depositors, Borrowers, Employees and public at large.

Objective 2: To study NPA trend in last 5 years of selected private sector banks.

The Researcher has used NPA ratio analysis tools to analyse the NPA trend in India of five private sector banks for last five years 2013 - 2017. Ratios analysed are as follows:

1. **GNPA** - Gross NPA ratio
2. **NNPA** - Net NPA ratio
3. **PAR** – Problem Asset Ratio
4. **SHRR** – Share Holders Risk Ratio

1. GNPA - Gross NPA ratio

Gross NPA is the amount outstanding in the borrower account, in books of the bank other than the interest which has been recorded and not debited to the borrower account.

$$\diamond \text{ Gross NPA Ratio} = (\text{Gross NPA} / \text{Gross Advances}) \times 100$$

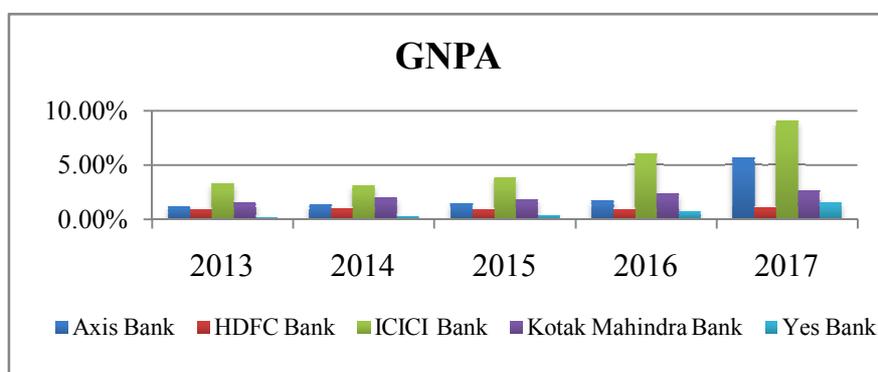
Table no. 1: GNPA - Gross NPA ratio

For the financial year ended on 31st March

Banks	2013	2014	2015	2016	2017
Axis Bank	1.22%	1.37%	1.46%	1.80%	5.70%
HDFC Bank	0.97%	0.99%	0.94%	0.95%	1.06%
ICICI Bank	3.31%	3.10%	3.90%	6.02%	9.08%
Kotak Mahindra Bank	1.56%	2.00%	1.87%	2.39%	2.63%
Yes Bank	0.20%	0.31%	0.41%	0.76%	1.53%

(Source: Bank Annual Reports 2013-2017)

Graph no. 1: GNPA - Gross NPA ratio



(Source: Compiled on the basis of Table no. 1)

Interpretation:

The above table depicts the Gross NPAs at private banks in India as on 31st March from 2013 to 2017. The above table and graph makes it very clear that the gross NPA of all the selected private banks under the study shows increasing trend of NPA. It is seen that the gross NPA which was ranging from 0.20% - 3.31% in 2013 increased every year and finally ranging from 1.06% - 9.08% during 2017. HDFC bank has the lowest gross NPA ratio during 2017 at 1.06% & ICICI bank has the highest gross NPA ratio during 2017 at 9.08%. HDFC bank has maintained its NPA around 1%. Hence, the private sector banks require certain strong policies to monitor and control its advances turning to NPA before it increases at huge extent.

2. NNPA - Net NPA ratio

Net NPAs is the amount of gross NPAs less (1) interest debited to borrower and not recovered and not recognized as income and kept in interest suspense (2) amount of provisions held in respect of NPAs and (3) amount of claim received and not appropriated.

$$\diamond \quad \text{Net NPA Ratio} = (\text{Net NPA} / \text{Gross Advances}) \times 100$$

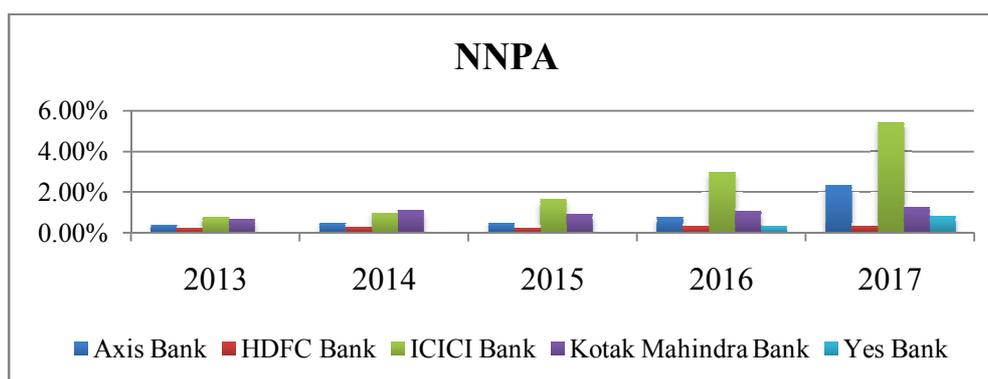
Table no. 2: NNPA - Net NPA ratio

For the financial year ended on 31st March

Banks	2013	2014	2015	2016	2017
Axis Bank	0.36%	0.45%	0.47%	0.74%	2.31%
HDFC Bank	0.20%	0.27%	0.25%	0.28%	0.33%
ICICI Bank	0.77%	0.97%	1.61%	2.98%	5.43%
Kotak Mahindra Bank	0.64%	1.08%	0.92%	1.06%	1.26%
Yes Bank	0.01%	0.05%	0.00%	0.29%	0.81%

(Source: Bank Annual Reports 2013-2017)

Graph no. 2: NNPA - Net NPA ratio



(Source: Compiled on the basis of Table no. 2)

Interpretation:

The above graph represents the Net NPA Ratio of all the selected private sector banks taken together. It can be noticed that Net NPA ratio has also resulted into increasing trend of NPA. It is seen that the net NPA which was ranging from 0.01% - 0.77% in 2013 increased at low pace every year and finally ranging from 0.33% - 5.43% during 2017. HDFC bank has

the lowest net NPA ratio during 2017 at 0.33% & ICICI bank has the highest net NPA ratio during 2017 at 5.43%. HDFC bank has maintained its NPA around 0%.

3. PAR - Problem Assets Ratio

The NPA to Total Assets Ratio is a financial metric that compares the level of bad loans and foreclosed properties to the total assets a bank has on its books. In general a lower ratio is better for an institution's financial health. The ratio of Nonperforming Assets to Total Assets is used as an indicator for the quality of the lending practice for the given institution.

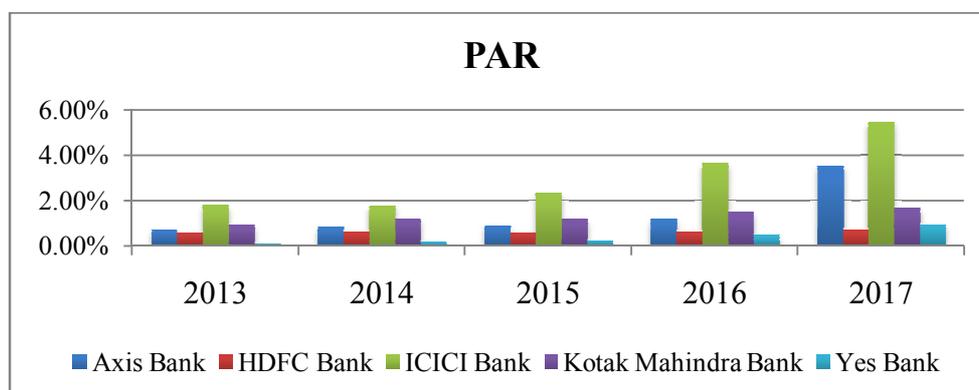
$$\diamond \text{ Problem Assets Ratio} = (\text{Gross NPA} / \text{Total Asset}) \times 100$$

Table no. 3: PAR - Problem Assets Ratio
For the financial year ended on 31st March

Banks	2013	2014	2015	2016	2017
Axis Bank	0.70%	0.82%	0.89%	1.16%	3.54%
HDFC Bank	0.58%	0.61%	0.58%	0.62%	0.68%
ICICI Bank	1.79%	1.77%	2.34%	3.64%	5.46%
Kotak Mahindra Bank	0.91%	1.21%	1.17%	1.48%	1.67%
Yes Bank	0.10%	0.16%	0.23%	0.45%	0.94%

(Source: Bank Annual Reports 2013-2017)

Graph no. 3: PAR - Problem Assets Ratio



(Source: Compiled on the basis of Table no. 3)

Interpretation:

The Problem assets ratio shows the proportion of Gross NPA to total assets and the table & graph given above shows that the percentage of all selected private sector banks from 0.10% - 1.79% in 2013 and 0.68% - 5.46% in 2017. The percentage shown is, however not stable in few banks such as HDFC bank, ICICI bank and Kotak Mahindra bank. It is increasing from 2013-17 in remaining banks. It seems that much attention has been given by the management to the proportion of Gross NPA and total assets of the bank.

4. SHRR - Share Holders Risk Ratio

It is the ratio of net NPAs to the total of capital and reserves of the bank. It indicates the degree of risk associated with the shareholders investments. High ratio means high risk to the shareholders.

◆ **Share Holders Risk Ratio = (Net NPA / Total Capital & Reserve) x 100**

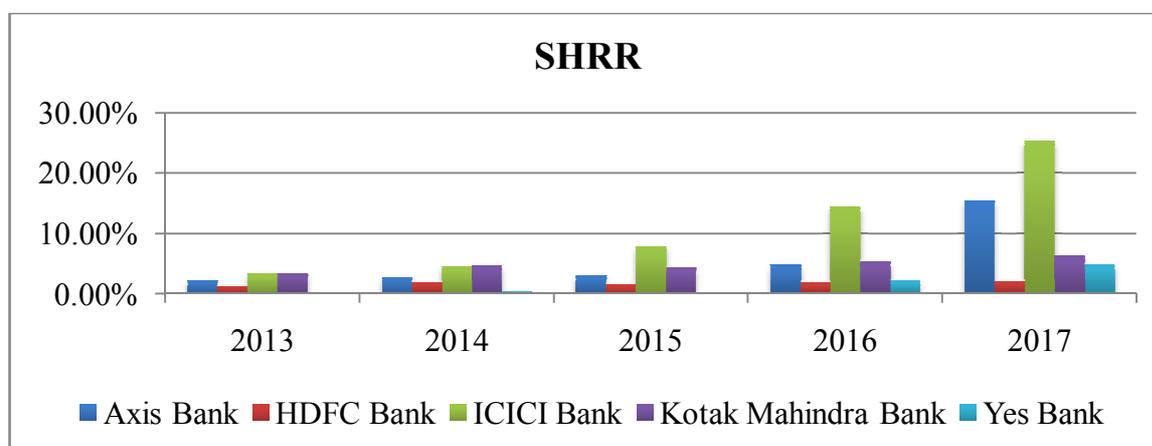
Table no. 4: SHRR - Share Holders Risk Ratio

For the financial year ended on 31st March

Banks	2013	2014	2015	2016	2017
Axis Bank	2.13%	2.68%	2.95%	4.74%	15.47%
HDFC Bank	1.29%	1.89%	1.45%	1.82%	2.06%
ICICI Bank	3.34%	4.50%	7.78%	14.45%	25.23%
Kotak Mahindra Bank	3.29%	4.67%	4.31%	5.27%	6.22%
Yes Bank	0.12%	0.37%	0.00%	2.06%	4.86%

(Source: Bank Annual Reports 2013-2017)

Graph no. 4: SHRR - Share Holders Risk Ratio



(Source: Compiled on the basis of Table no. 4)

Interpretation:

The shareholders are exposed to great risk if the Net NPA is positive or more than zero. Hence it is necessary to see that the shareholders funds are safe in view of the NPA. So, this ratio becomes important from the view point of the shareholders. From the table and graph given above, we can see the position of the selected private sector banks. As the PAR of all the banks taken together is increasing from 2.06% - 25.23% in 2017, it is natural that the shareholders risk ratio is high. HDFC bank shows lowest PAR at 2.06%, whereas ICICI bank shows the highest at 25.23% and Axis bank at 15.47%. This signifies that the shareholders funds in these banks are at the risk.

Conclusion

NPAs are draining the capital of the banks and weakening their financial strength. Private Banks are at the initial stages of increase in its NPA's. NPA of HDFC Bank is increasing at slow pace as compared to other banks. Also YES bank had the lowest NPA during 2013 - 2015. The banking institutions need to be more proactive to adopt a pragmatic and structured non-performing assets management policy where prevention of non performance assets receives priority. Banks need to fix targets of recovery and design timely action plan, monitor the implementation of timely action plan and take corrective steps whenever found necessary.

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IMPACT OF ‘GOODS AND SERVICE TAX ON INDIAN PHARMACEUTICAL INDUSTRY’

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ABSTRACT

The impact of Goods and Service Tax on various sectors will be interesting to understand. However Indian Pharmaceutical Industry seems to have positive impact. Hence in long term perspective the pharma sector should generate more profitability and contribute to the economic growth.

IMPLEMENTATION OF ‘GOODS AND SERVICE TAX’

The Goods and Services Tax is one of the biggest tax reforms in India since independence. All forms of business organizations in India will be impacted by this one uniform tax system. Goods and services tax will be levied on both goods and services and replace the existing complex tax system (taxes like Excise, VAT, and Service Tax etc.). Removal of cascading tax effect is one of the greatest benefits of introduction of Goods and Services Tax.

INDIAN PHARMACEUTICAL MARKET LANDSCAPE

Indian pharma sector has been gearing up tremendously since few years. Indian pharmaceutical industry is current 3rd largest in the world in terms of volume and in terms of value it ranks 14th in the world. Study shows that 5% of the India's GDP is expended on the healthcare sector. The healthcare sector was \$ 80 billion in the 2012 and expected to touch \$ 150 billion by the end of 2017.

IMPACT OF ‘GOODS AND SERVICE TAX ON PHARMA’

One of the important things that have changed is cost of production, many raw materials for API and products have charged from 5% VAT bracket to 12% GST bracket and most of the salts and compounds have changed from 5% to 12% GST bracket. Also there are various medicinal supplements and foods have charged from 12.5%-15% to 18%-28% bracket, these are the factors affect price. At the same time C&F agents operate at 4-6% margin on MRP, distributors/ wholesalers operate at 7-8% margin on MRP and retailers at 20% margin on sales. This plays an adverse impact on pharmaceutical industry growth.

Let's examine the fields where the impact will be severe

Sr. No.	Department	Pre-GST Rates	Post-GST Rates	List of items getting expensive
1	Nephrology	5%	12%	Hemo Dialysis Machine, Tubings, Dialysis Needles, Catheter, Plasma Filter, Dialysis Fluid.
2	Heart Treatment	5.5%	12-18%	Lead Valve of Pacemaker, (Heart failure machine CRT-ICD)
3	Eyes Treatment	9%	12-18%	Checkup Machines, Lenses

4	Orthopedics	5%	12-18%	Disposable items, Bone cement, operation equipments like drill machines and its batteries.
5	Cancer Treatment	5%	7-12%	All the imported medicines became getting expensive. Advanced stage cancer patient will be incurring INR 10,000 extra on the treatment.

List of Health care products in the list of expensive category.

Sr. No.	Items	Pre-GST	Post-GST
1	Wheel Chair	5%	18%
2	Hot-water Bag	5.5%	28%
3	Wing Scale	5%	28%
4	Surgical items	5.5%	12%

TRANSPERENCY AND CLARITY REQUIRED

Impact of GST on the existing bonus schemes, free drug samples, treatment of expired drug or stock are still not transparent. Also, the exemptions enjoyed by pharmaceutical industry by establishing their manufacturing units in certain areas/states are no longer exist; this increased cost will be burdening the end consumers. It also affects the outsourcing work models.

But 8 different taxes being imposed on the sector in the present day, the introduction & implementation of GST will significantly help the sector to streamline the process.

CONCLUSION

The impact of GST on the pharmaceutical industry is still not very transparent. But both end industry and ultimate buyers hope to be in a win win situation. Overall reduction in complexities of different taxes and relaxation in the rates of some drugs and compounds reduces the cost of production which generates more profitability and economic growth.

A CRITICAL ANALYSIS OF TALENT ACQUISITION AND RETENTION AND ITS IMPACT ON BUSINESS ENVIRONMENT WITH SPECIAL REFERENCE TO HR STRATEGIES.

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Abstract

*Over the years there has been a phenomenal growth in the number of businesses in India. This is partly a consequence of a new policy of the government to gradually withdraw from business development activities. The gap thus created is being filled by new businesses. A business can be a 'for-profit' or 'not-for-profit' venture engaged in income-generating activities with an agenda of bringing about a positive change in the environment. While new businesses are engaged in the development of people, it is rather paradoxical that they experience a variety of problems with respect to the management of human resources within their businesses. It is common knowledge that businesses perennially struggle with various critical human resource issues such as getting employees at low rates of compensation, providing growth opportunities for employees within the organization, retaining talent especially in the middle management, providing clearly defined roles and tasks to employees, etc., leading to high attrition and increasing the cost of acquiring and training new employees. It thus, becomes critical for businesses to think out-of-the-box and try a variety of innovative strategies to overcome these problems. **This paper discusses** a few such innovative HR strategies **adopted by businesses** to attract and retain talent, such as offering jobs to people with vision and value congruence, enhancing the credibility of the organisation through brand building, providing opportunities for personal growth, creating a sense of ownership among employees through participation in decision making, creating sense of ownership among employees by giving equity shares, creating entrepreneurial opportunities within the organisation, finding employees from among beneficiaries, attracting employees to serene lifestyle in peaceful and scenic location and providing attractive fringe benefits to employees. Collectively these strategies seem to suggest that businesses adopt a '**partnership paradigm**' for managing their employees.*

This project is mainly based on secondary data, it was collected from various websites and books of reputed authors.

Keywords: *New Business, Entrepreneurship, HRM, Talent Acquisition, Talent Retention, Business expansion.*

Introduction

Social development in developing countries has traditionally been viewed as the responsibility of the governments because of the massive scale of its operations and the limited or no capacity of its beneficiaries to pay for the services. While the need for social development in developing countries is enormous, the resources available even with the governments are limited. Besides, the government machinery and the bureaucracy are ill-equipped to monitor the implementation of social development projects at the grass-root level. Hence, over the years, governments in the developing countries adopted a policy of gradual withdrawal from various social development activities. This has created multiple voids in the social realm which have been filled by nongovernmental agencies commonly

known as nonprofits. The nonprofits play an increasingly important role in providing services, for which the public and the private sector lack time, information, resources and inclination. They advocate for a variety of social, political, environmental, ethnic, and community interests and concerns, contribute to the social and cultural life of the society, and actively participate in community building (Salamon, Sokolowski & List, 2003). They combine economic and market forces with social goals (Vigoda & Cohen, 2003) and their employees are expected to fulfill business requirements as well as strictly adhere to ethics, accountability, and equity in services. The nonprofit organizations, in the course of their service, face several challenges in terms of reductions in government funding, decline in charitable contributions, competition from for-profit providers of certain services, and demands for increasingly higher levels of accountability.

In recent times, however, an increasing number of non-profits have been seeking additional revenues by behaving more like for-profit organizations. According to Dees (1998), the nonprofits are scrambling to find commercial opportunities for a number of reasons. First, a new pro-business zeitgeist has made for-profit initiatives more acceptable. With the apparent triumph of capitalism worldwide, market forces are being widely celebrated. There is a growing confidence in the power of competition and the profit motive to promote efficiency and innovation in development organizations. Second, many social enterprises believe that institutional charity can undermine beneficiaries' self-esteem and create a sense of helplessness and dependence; self-reliance is the new mantra. Third, the sources of funds available to nonprofits are tending to favor more commercial approaches. There is greater availability of money for operating on a more commercial basis. Lastly, and most importantly, social enterprises view income-generating activities as a more reliable funding source than donations and grants. Many of them now consider extensive dependency on donors as a sign of weakness and vulnerability.

Social enterprises generally are heavily dependent on individual and/or institutional donors for funding specific projects or initiatives. It is but natural for donors to closely monitor the usage of funds donated by them. In order to regulate and control the spending of social enterprises, the funding agencies put various restrictions on the usage of funds. One such restriction is spending on human resources within the organization in the form of salaries, benefits, incentives, training and the like. This situation is paradoxical, as these organizations experience a variety of human resource issues within their own organizations while taking up the ultimate goal of augmenting the human development in the larger society.

All social enterprises - irrespective of their size, type, sector or profit-orientation - experience human resource management issues of one type or another. As talent is rare, valuable, difficult and hard to substitute, organizations that attract, select and retain better talent outperform those that do not (Barney and Wright, 1998). Social enterprises, like other organizations, compete with each other to attract better talent, which is further intensified by the fact that the talent pool available to social enterprises is often limited, since the sector is not perceived to be glamorous and remunerative as the corporate sector. The high turnover of qualified employees in social enterprises has increasingly negative impact on recruitment, training, and service effectiveness. Filling a position in a social enterprise poses a significant challenge, given the lack of competitive incentive systems in the sector. Vacant positions may eventually be filled, but with reduced chances of obtaining qualified candidates, additional costs for employee training and development, and higher chances of service disruption.

The 21st century has witnessed an explosive pace of technological advancement, facilitating global sourcing and the consequent global operations, which are the main drivers

of change in employment patterns, leading to intense competition among employers to attract and retain talented workers (Osborn-Jones, 2001). Without doubt it can be said that today an organization's success is directly linked to the talent it can recruit and retain. Recruitment is critical not only for sustaining competitive advantage but also for basic organizational survival (Taylor and Collins, 2000). Escalating demand for highly talented and skilled employees coupled with limited supply makes the acquisition and retention of talented employees a major priority for organizations (Flegley, 2006) especially for social enterprises. The nature of social enterprises and their socially desirable goals create an expectation that the employees work for the cause rather than for the paycheck. Further-more, social enterprises especially the nonprofits are unable to compete with for-profit organizations in providing good pay and incentives to employees (Brandel, 2001). Hence it is almost impossible for them to survive without innovations in the field of human resource management, especially for acquiring and retaining talent.

This paper attempts to understand the various types of social enterprises and their nature of work, with a view to appreciating the human resources issues faced by them and their impact on business environment. The paper examines the different strategies and practices adopted by social enterprises to innovatively deal with the many and varied human resource related issues faced by them, especially those relating to talent acquisition and retention within the organization.

Social enterprises: Nature and types

The term 'social enterprise' evokes various kinds of images and impressions among researchers and practitioners. According to Alter (2000), social enterprises are driven towards innovation primarily by two forces: first, the nature of the desired social change often benefits from innovative, entrepreneurial or enterprise-based solutions; second, the sustainability of the organization and its services is dependent on innovations in identifying various streams of income generating activities so as to diversify its funding sources.

Social enterprises are hybrid organizations that have mixed characteristics of philanthropic and commercial organizations in several aspects, such as motives, methods, goals and key stakeholders (Dees, 1998). Building upon this perspective, Dees proposed an organizational spectrum (Exhibit-1), where pure forms of nonprofit and for-profit organizations are placed at opposite ends of a continuum, and the social enterprise, having characteristics of both, is placed somewhere in between.

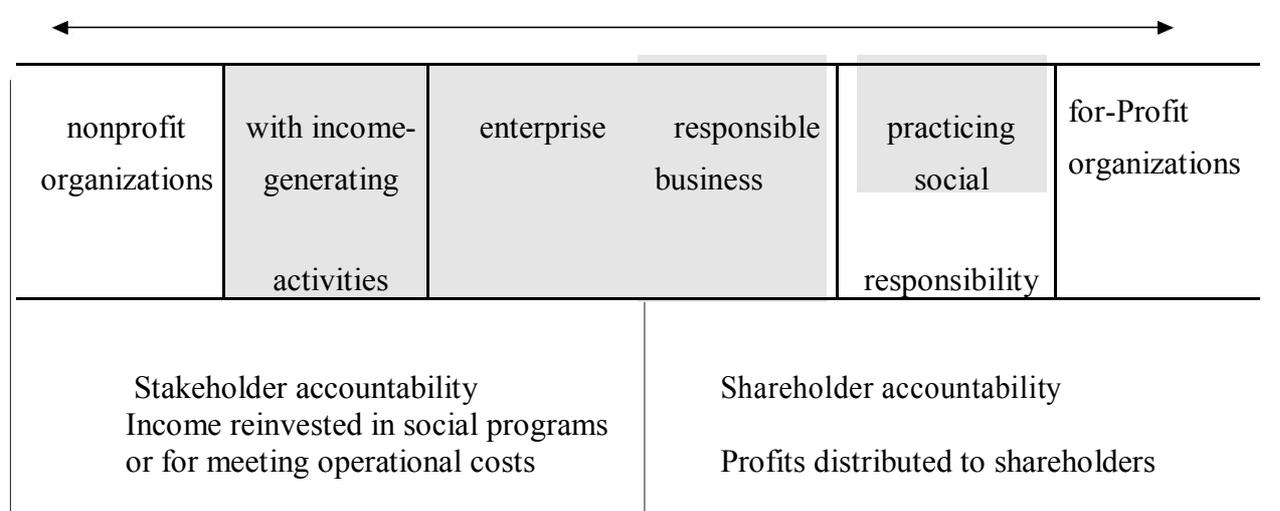
Exhibit-1: The organizational spectrum: positioning of social enterprises on a continuum ranging from philanthropic to commercial

Motives	- Appeal to goodwill	-Mixed motives	-Appeal to self interest
Methods	- Mission Driven	- Mission & market driven	-Market driven
Goals	-Social Value	-Social & economic Value	-Economic value
Beneficiaries	Pay nothing	Pay subsidized rates or a mix of full payers and non-payers	Market – rate prices
Capital	Donations & grants	Below market capital or a mix of donations and market rate capital	Market–rate capital
Workforce	Volunteers	Employees retained at below-market wages or mix of volunteers, part-time and	Employees retained at market-rate compensation

		fully paid staff	
Supplies	In-Kind donations	Acquired at special discounts or are a mix of in-kind donations and fully paid facilities	Acquired at market-prices

In view of the difficulties in clearly defining a social enterprise because of it incorporating the features of ‘non-profit’ and ‘for-profit’ organizations, Alter (2006) attempted to place it on a continuum, which he called the ‘hybrid spectrum’ (see Exhibit–2). The Hybrid spectrum identifies social enterprises as combining the features of non-profit and for-profit organizations. On the spectrum, hybrid organizations get defined and positioned by the degree of variations in their motives, accountability, and use of surpluses/profits

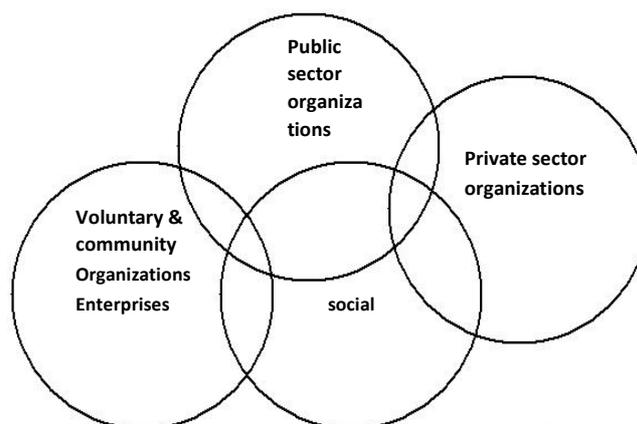
Exhibit-2: The hybrid spectrum: the non-profit/for-profit continuum



On the right-hand side of the spectrum are for-profit entities that may also create social value but whose main motives are profit-making and distribution of profits to shareholders. On the left hand side of the spectrum are nonprofits that may or may not undertake commercial activities to generate economic value which is used to fund social programs, because their main motive is to serve the economically weaker sections of the society and/or to bring about a culture-change in the society rather than to generate profits for the stakeholders. Once again, it should be pointed out that social enterprises would combine the features of both.

Since it is easy to understand the nature of organizations by specifying the sector they belong to, Westall and Chalkey (2007) made an attempt to specify the sectoral affiliation of voluntary organizations and social enterprises. As these organizations do not fully belong either to the public or private sector but combine features of both, they preferred to call it the ‘third sector’ (see Exhibit-3), even though this is not a fully homogeneous sector. It is possible to identify at least two major subtypes of organizations within this sector, namely (i) voluntary and community organizations, and (ii) social enterprises.

Exhibit-3: Voluntary/community organizations sector and social enterprises in the Third sector



Source: Adapted from Westall & Chalkey 2007

Westall and Chalkey (2007:32) maintain that ‘it is not always easy to differentiate voluntary organizations from social enterprises. With this attempt to de-emphasize the differences between voluntary organizations and social enterprises, they seem to suggest that there is a rather homogenous ‘Third Sector’, which is debatable for reasons we have mentioned above. While ‘Third Sector’ organizations may be similar in terms of their larger purpose, they do have substantive differences in terms of their stake-holder objectives as well as the nature of their activities.

It appears that there is a widely held misconception that the primary distinction between a volunteer/community organization and a social enterprise is that the latter are entrepreneurial and the former are not. As Bornstein, 2004 has pointed out, most of the volunteer/community organization are entrepreneurial and innovative in developing new and more effective ways of achieving their social objectives, and sites the case of Childline International as example. The critical difference therefore is whether the innovativeness is used for designing and implementing income generating activities as a source of funds for achieving their social objectives (Nicholls, 2006). For social enterprises, the major part of their funds comes from such income-generating activities, whereas for volunteer/community organizations, the major source of funds is donations from individuals or organizations. Among the social enterprises which have income generating activities, there are two types based on their profit-orientation-the not-for-profit and for-profit social enterprises. This difference is illustrated with some examples in (see Exhibit-4)

Exhibit-4: Differentiating voluntary/community organizations from social enterprises based on their funding sources: some examples

Name of organization	Social Objectives	Type (non-profit or SE)	Funding/Income Source
	Awareness and promoting environment activism	Organization	Government
Employed Women’s Association	Livelihood opportunities for unorganized woman labourers		Commercial activities
Hospital	And the aged		Subsidize the services for two thirds of the total patients
	Marketing of their handicraft products		

Human resource issues of social enterprises

Human Resource Management (HRM) is of utmost importance to social enterprises mainly for three reasons. First, the personal services provided by social enterprises mean that these organizations cannot replace employees with investment in physical facilities and equipment. In most cases, the service-providers employees are equated with the services and therefore are the single most important asset of nonprofits and social enterprises (Barbeito and Bowman, 1998; Hall et al., 2003). Second, more than in other organizations, employees of social enterprises are attracted and motivated by intrinsic factors such as a belief in the organization's mission and values and an opportunity to actualize their individual values, and participation in decision-making (Brandel, 2001; Brown and Yoshioka, 2002; McMullen and Schellenberg, 2003a). Obviously, these factors have an impact on the recruitment, retention and motivation of people in social enterprises (Brown and Yoshioka, 2002). Third, in view of the need for professional delivery of services and accountability requirements of the new funding environment, employees are arguably the most critical stakeholders in the strategic positing of social enterprises.

It could be argued that employees of social enterprises are more likely to experience job dissatisfaction if: (a) they perceive that their organization is not achieving the public good that attracted them; (b) the mission is de-emphasized or derailed by other considerations and (c) the espoused values are inconsistent with those practical in the organization.

Talent acquisition in social enterprises

It is widely recognized that human resource plays a significant role for enhancing an organization's performance and effectiveness (Huselid, 1995). No wonder there are persistent efforts by organizations irrespective of their size, age, type sector, etc to attract the best talent available. Talent has become the key differentiator for performance management and for leveraging competitive advantage especially in knowledge-based organizations (Bhatnagar, 2004). With better talent acquisition and development, employee engagement improves and so does productivity. Maximizing team engagement, motivation, and retention through due diligence in talent acquisition is vital in today's highly competitive environment. Only a talent resourcing process that is well defined and well-executed from start to finish yields consistent and compliant results which will in turn yield a competitive advantage in the war for talent (Ronn, 2007).

Talent retention in social enterprises

Retention of non-leadership staff in social enterprises deserves special attention since the loss of such staff is costly in terms of new recruitment, training and development, interruptions service, and decreased employee morale (Halpern, 2006; Ban et al., 2003; Lynn, 2003). Researchers maintain that the most important goal of the contemporary human resource systems is not to recruit the finest professionals, but to create congruence between people and organizations so that they would stay and work with the organization (Lynn, 2003; Vigoda & Cohen, 2003). Watson and Abzug (2005, p.628) refer to it as the process of creating "fit and embeddedness". Value and goal congruence positively affect employee performance, job satisfaction, tenure, and career success. In the absence of such congruence, an employee cannot reach the expected level of performance, and tends to accuse the organization of being politically discriminative and inequitable. In order to avoid such a potentially destructive situation, there has to be a continuous assessment of the interface between the employees and their work environment, and the development of advanced HR strategies for recruitment and retention (Vigoda & Cohen, 2003). This is particularly relevant for the current situation when the retention rates for social enterprises especially the nonprofit

organizations continue to decline, with more workers turning to the for-profit corporate sector as an alternative (Light, 2000; Salamon, 2002).

1. Offering jobs to people with vision and value congruence

There are many social enterprises which work on sensitive issues such as HIV, gay rights, child abuse, women's empowerment, disabilities, etc. Employees in these organizations are mostly either of unfair treatment relating to such issues or feel strongly about them. Hence, they are naturally motivated to bring about a change in the society. These organizations to a certain extent, act like religious institutions where devotees have faith in the ideology and therefore do selfless service. They treat their jobs as an opportunity to

Exhibit-5: Offering jobs to people with vision and value congruence: The case of *Mirakle Courier*

Mirakle Courier is a for-profit socially oriented courier company started in 2008 by Oxfordalumni Dhruv Lakra with the tagline of '*Delivering possibilities*'. The vision of the organization is to provide a platform to deaf people to utilize their potential effectively and thereby become economically independent. The company's mission is to provide gainful employment to deaf adults. The deaf gets trapped in the vicious circle of poverty since there is low awareness of their problems and limited education facilities for them, which seriously affect their employability. The organization aims at providing better service to its clients at competitive prices by enlisting the services of deaf people as employees. Naturally the deaf employees would also benefit immensely from this arrangement.

Mirakle Courier has difficulties in finding suitable employees for managerial positions, who have patience and skills to manage deaf employees. These managers will have to work hard and design superior strategies for competing with other courier companies. Talented managers have high expectations of compensation and are always in demand from competitors. The top management of *Mirakle Courier* service consists of committed individuals, who have the passion for the cause and are committed to bring about a change in the lives of deaf people all over the world. There is a sense of purpose attached to the work done by the employees of

Mirakle Courier, and this is perhaps the biggest reason for the sense of satisfaction they derive from their work. The organization is able to retain competent employees because of high levels of job satisfaction flowing from a sense of accomplishing their mission and actualizing their ideology.

Source:

Mirakle Courier website: <http://www.miraklecourier.com> (September 2010)

<http://www.thebetterindia.com/1330/mirakle-couriers-career-haven-for-the-deaf/> (November 2010)

<http://blog.ennovent.com/2010/04/empowering-deaf-adults-mirakle-couriers/> (November 2010)

actualize their ideologies and get them accepted by the society (see Exhibit-5).

2. Enhancing the credibility of the organization through brand-building

It is not difficult for large and reputed social enterprises to retain their employees since these organizations have a brand name. Employees feel a sense of pride and recognition by associating themselves with such organizations. These are mostly international social enterprises or large social enterprises, for whom the acquisition and retention of talent is apparently not a problem.

However, organizations do not grow large overnight; nor are they started as large ones in the first place. Along with the growth in size, some organizations make deliberate attempts to enhance their brand image. While the image-building exercise is relatively easy for social enterprises because of the generally acceptable nature of their social objectives, it is the consistency and commitment with which they promote such social objectives that builds the image of the organization. This is adequately illustrated by the case of Aravind Eye Hospital (see Exhibit -6).

Exhibit-6: Enhancing the credibility of the organization through brand building: The case of Aravind Eye Hospital

Aravind Eye Hospital was founded in 1976 by Dr Govindappa Venkataswamy (affectionately known as Dr V). Almost 30 years later, Aravind's innovative eye care delivery system is renowned worldwide for its technical excellence, operational efficiency and pioneering community work. Aravind follows the ideal of providing, high quality service at very affordable prices to a large number of clients.

The hospital collectively performs over 250,000 surgeries every year. The organization gives utmost importance to ensuring that all patients are provided the same level of care and high-quality service, regardless of their economic status. As a result of a unique fee system and effective management, Aravind is able to provide free eye care to two-thirds of its patients from the revenue generated from the other third - its paying patients. It is this unswerving commitment to serve the poor that has built Aravind's brand image even from its early difficult years.

Aravind Eye Hospital has a strong mission of eradicating needless blindness. The organization puts strong emphasis on operational efficiency and effectiveness to make the services affordable to the poor people. During the initial days the organization attracted talented doctors by announcing that doctors will get much more exposure of doing surgery than they would get in any other hospital. Also they induced feel good-factors in the doctors and staff that they are serving the poor, especially the old people.

Over the years, the organization has built a strong credibility among the common people as well as international development organizations such as WHO, Bill & Melinda Gates Foundation, and so on. This has given them the strategic advantage of being a known and respected organization in the health sector. The organization has the policy of not giving any kind of advertisement for jobs. In spite of this, a large number of applications for all kinds of jobs keep coming to the organization from different parts of the world, which is obviously a testimony to the power of brand image created by Aravind.

Sources:

Aravind Eye Hospital: website <http://www.aravind.org> (September 2010); Tidd et al, 2010; Sharma 2010

3. Providing opportunities for personal growth

Unlike the large social organizations like Aravind Eye Hospital, the smaller ones are unable to attract talented employees because they are not widely known amongst people. To attract and retain talented employees some of the social enterprises create opportunities for their employees to participate in conferences and workshop within and outside the organization so that they could develop themselves for effective performance on the job as well for career growth. For employees interested in pursuing studies abroad, some

organizations provide support in the form of information and references and facilitation of sponsorship. They also encourage the employees to write papers and case studies which could be presented in national and international conferences and seminars. Some organizations have tie-ups with various national and international funding agencies such as Ford Foundation, UNDP, Bill & Melinda Gates Foundation, Sudha Murthy Foundation, etc which sponsor promising students as well as employees of social development organizations to pursue studies abroad. In some cases these funding agencies also sponsor the travel expenses for the

Exhibit-7: Providing opportunities for personal growth: The case of Grassroots

Grassroots, also known as Pan Himalayan Grassroots Development Foundation, was established in 1991. The focus of the organization is - on the ways and means to improve the quality of life of the rural communities. The organization empowers the rural communities by successfully running various projects for sustainable development of the region such as watershed management, bio-gas plant, sanitation and forest management.

The organization also focuses on income generating activities to provide means of livelihood to the poor establishing a producer company called *Umang*, managed and run by 2,200 women from 148 SHGs (Self Help Groups). *Umang* is an 'umbrella' organization that houses several small manufacturing units, which generate revenues by producing and selling various items such as woolen knitwear, pickles, jams, honey, organic fruits and vegetables to various consumer groups in India and abroad. Currently the turnover of the organization is around Rs 7.5 million and plan to scale up to Rs 100 million in the next 4 years. Surpluses from *Umang* are also used for supporting the sustainable development projects.

The organization is always in the lookout for socially conscious employees who are efficient as well as service-minded. Since the organization is situated in the Himalayan region, it is very difficult to get good quality management graduates who are willing to live in an isolated locality low compensation for long periods (more than 2 year).

Grassroots encourages employees to go for foreign degrees or short term courses and support them through a tie with Ford Foundation, which provides scholarships to students in developing countries to study at foreign universities. The organization also seeks to market itself by encouraging its employees to write working papers and case studies on their various programs and projects and provide the employees opportunities and support to attend national and international conferences and seminars. At Grassroots, the employees have a feeling that they are growing with the organization, which acts as motivation to continue with the organization in spite of the isolated locality of mountainous terrains as well as low financial compensation.

Sources:

Grassroots website: <http://www.grassrootsindia.com/>
Anurag Prasad (Outlook, September 05,2009) available at
<http://business.outlookindia.com/article.aspx?261366>

employees to attend international conferences (see Exhibit -7).

4. Creating a sense of ownership among employees through participation in decision making

Highly networked organizations like grassroots are able to provide learning and development opportunities to their employees through the support of their associates, which becomes a powerful retention strategy. However, when the organization is low on networking they sometimes adopt a strategy of providing autonomy and entrepreneurial opportunities to employees within the organization. In other words, they create a sense of ownership in their

employees in various other ways such as giving them freedom to choose a specific project or issue, permitting flexible timings of work, inviting them to participate in decision-making, providing support to employees to start new ventures under the umbrella of the parent organization, and encouraging employees to work in other organizations and get more hands-on experience for develop new skills, which they could utilize in their subsequent work. Needless to state that such policies serve as an influential retention strategy, as employees feel a sense of ownership and importance within the organization, and continue to work for it

Exhibit-8: Creating a sense of ownership among employees through participation in decision making: The case of *Aarohi*

Aarohi was established in the Himalayan region of India in 1992 with a view to creating opportunities for rural communities in the hills to lead a more self-dependent existence. The area in which *Aarohi* has been set up was underdeveloped with little government infrastructure, livelihood opportunities or access to basic health and education facilities.

Government-aided development was sporadic and hardly benefited the ordinary hill family. *Aarohi* addresses various issues of poverty through activities related to forest management, health care, livelihood, drinking water and sanitation, women's empowerment and education. The main source of funding for these activities is the revenue generated by selling various types of forest products used in body care, fragrance and culinary services in high end markets in India and abroad.

Aarohi's area of operation is spread over 100 villages in the Nainital and Almora districts of Uttarakhand. There are about 50 full time staff and over 250- associate staff from all over the world working for it. The organization does experience some HR related issues such as the inability to attract good talent in the middle management, high attrition rate in talented staff because of low compensation and lack of growth opportunities. The organization tries to address these issues through employee empowerment and participation schemes.

At *Aarohi*, the employees especially the middle management and top management are provided sense of ownership towards the organization. They are invited to all meetings of the organization irrespective of their area of operations with a view to seeking their advice on various day to day issues relating to their operations. The employees are also given the freedom to choose their time of working. The organization encourages young staff to go for industrial visits to understand the practices and functioning of various other organizations and implement those practices in the organization.

Source:

Aarohi website: <http://www.aarohi.org> (September 2010)

Aarohi blog: <http://blog.aarohi.org> (October 2010)

<http://ayanam.blogspot.com/2006/12/aarohi-satoli.html> (November 2010)

(see Exhibit-8).

Conclusion

There is no doubt that the world is currently experiencing major social, environmental and ethical crises, and no institution in the government, civil society or private sector, can alone effectively deal with crises of such magnitude. It is essential for all the stakeholders of the society to come together and deal with the growing concern soft the world. Over the years there is a huge rise in the number of social enterprises - both the for-profit and the not-for-profit varieties - which aim at serving the poor and disadvantaged groups through revenues

generated from commercial activities. The major challenge faced by social enterprises is to stick steadfastly to their social mission while pursuing commercial activities and the revenues generated by them.

It is a paradox that the social enterprises, who work on various human development issues are not able to cater to the human resource management issues within their own organizations. Social enterprises are hence looking at various ways to reduce the severity of this issue.

As the traditional source of funding for social development activities has been the grants and donations from government and private agencies, it is but natural that they impose restrictions on the use of such funds for employee salaries and perks. It is the quest for reducing grant-dependency of social development activities that has given rise to a new form of organizations, namely social enterprises, whose main funding source is the revenues generated by commercial activities. While this new form of organization would have greater financial autonomy, the resources generated by them are not large enough for them to afford market-rate compensation and perks for their employees. Hence their HR strategies have to be designed around a different paradigm than the traditional one based on salaries and perks.

Social enterprises, on the other hand, seem to operate on the basis of a 'Partnership Paradigm' (Manimala 2010) of human resource management. Apparently, this is a matter of necessity rather than choice, in spite of the fact that an ideology of inclusiveness is fundamental to the creation of social development organizations. One reason why an employee of a social enterprise has to be a partner is the fact that social enterprises are mostly service-providers, where it is extremely difficult to separate the service from the person providing the service. Hence the employee has to be fully integrated with the organisation and thereby imbibe its service ideology to be effective in his/her work. The second reason why the partnership paradigm is more suitable for social enterprise is that there will be a sharing of risks and responsibilities, because of which the work is perceived as more important than the monetary rewards associated with it. Thus, the employees would be prepared to work for relatively low compensation, which could become a significant factor contributing to the long-term survival of most social enterprises.

In the empirical exercise of analyzing a few cases of social enterprises to identify the HR strategies frequently used by them, the findings do strongly support the above theoretical perspective - social enterprises tend to adopt a partnership paradigm for managing their employees which is especially relevant for acquiring and retaining them. Out of the eight strategies we have identified, that majority are about developing partnership with employees. It is therefore legitimate for us to propose that the talent acquisition very much affects the business environment.

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IMPACT OF REFORMS IN BANKING AND INSURANCE BUSINESSES

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ABSTRACT

“The business environment means all of the internal and external factors that affect how the company functions including employees, customers, management, supply and demand and business regulations”.

Environment is inseparable part of business. It is Dynamic. But business lacks control over environment. Because business environment is a constantly changing process. It cannot directly influence the changes in external environment. It is possible to have influence over internal environment. Internal environment is controllable whereas external environment is uncontrollable.

- *Internal environment of business includes physical assets, technological capabilities, human, financial and marketing resources, management structure, relationship among various constituents, goods, objectives and value system prevailing*
- *External environment of business is composed of various organisations, institutions and forces operating outside the company, which exert influence individually and collectively as well on this environment. External environment of business is broadly classified into micro environment and macro environment.*

Business environment is flexible. It keeps on changing. Sometimes it may provide opportunities to the business, whereas on the other hand may create new challenges and obstacles in the working of the organisation. Opportunities for growth and expansion is created when the environment is favourable, on the other hand it creates problems and obstacles when it is unfavourable.

The environment can have both positive and negative impact on the business. Changes in the environmental factors have long lasting effects on the functioning of the business. These changes may create favourable and unfavourable impact on the firm. A systematic analysis and diagnosis gives strategies to anticipate opportunities and threats. This helps to develop preventive measures to cope up with the threats effectively

India has been an attractive market to foreign investors for a number of years, particularly since...the early 2000s. Its sheer potential as a very large consumer of goods, as well as a potential producer of them, together with the fact that it has a large and increasingly skilled workforce with a high proportion of English speakers, means that India is justifiably labelled as a market with huge potential.

However, there are challenges that currently constrain companies from fulfilling this potential, for example, nascent levels of infrastructure—most importantly, the production, quality and reliability of power—and the lack of universal primary and secondary education. In addition to (meeting) these specific challenges, improving the ease of doing business and contract enforcement will improve India’s attractiveness as an investment destination and increase confidence that companies can be profitable in India.

Objectives

1. *To understand business environment*

2. *To study challenges faced due to changing business environment*
3. *To study reforms in banking business*
4. *To study reforms in insurance businesses*
5. *To study reforms in banking and insurance business as a solution to changing business environment challenges.*

Research Methodology:

For testing of a hypothesis Secondary Data Collection method is used.

Key words *Business Environment., Banking, Insurance, Reforms, Capital Adequacy, Directed Credit, IRDA.*

1. Introduction

Business environment may be defined as the set of external and internal factors which affects the decisions of business. We can divide business environment into two parts

1) The Micro Environment of Business These are deeply related with company and company can control these type of environment by improving its capacity and efficiency.

1. Suppliers who supply raw material to company.
2. Customers who buy goods from company.
3. Market Intermediaries who helps company to sell its products.
4. Financial Intermediaries are the institutions who provide loan, credit and advance to company.
5. Competitors who also sell same product of company.
6. Public are the group of people who can buy or who can show their interest to buy the products of company.

2) The Macro Environment of Business

Macro environment of business means all external factors which affects company and its business and there is no control of company on these factors.

1. Economic Environment include government- budget, import and export policies, economic system and economic conditions.
2. Political and Governmental Environment include legislature's decisions, executive's decisions and judiciary decision which affect company's business.
3. Socio cultural Environment includes morality, religion, education, health of peoples and family importance.
4. Natural Environment include season, place elements, natural resources etc.
5. Demographic Environment include size of population, growth rate of population, age composition, sex composition and family size.
6. Technological Environment include ecommerce technology, online payment, Internet technology, mobile banking and 3G technology and all other new technology which affect company's business.
7. International Environment includes rules and regulation of WTO, WB and MNC's effect on our company's business environment.

Business has to face various challenges due to changes in business environment. It includes:

- 1. Integrity-** In today's global economy, everyone is struggling to be more successful. The temptation to become rich and to succeed fast lead people to cheat others and use fraudulent practices to earn money. These practices erode the trust that needs to exist between employers and employees, between business partners, between executives and shareholders. Without trust, the business will not be able to compete effectively and it will eventually fail.
- 2. Cash, Borrowing, and Resource Management.** A healthy profit may look nice on financial statements, but if capital expenditures or receivable collections are draining the cash, business won't be able to stay in for long. In order to overcome this problem, businesses must be adequately capitalized and must shore up cash reserves to meet all obligations.
- 3. Increased selection and competition.** Gone are the days when it took weeks, months, and a myriad of forms to get business started. Now if one buys a domain name and register business online, the business is started. However, staying in business is a much more complicated matter. The ease of starting a business creates a much broader level of competition. This increase in overall selection and more focused completion will make it more difficult for businesses of all sizes to retain customers who can change their suppliers with the click of a mouse.
- 4. Marketing and Customer Loyalty.** -Another challenge is to market to potential customers effectively and retain existing customers. Smartphones, social media, texting, email, twitter and other communication channels are making it easy for businesses and individuals to get their messages out. Figuring out the right marketing channels is key for businesses to be successful in the future.
- 5. Uncertainty-**Business leaders find great discomfort in uncertainty. Because of global debt and economic struggles, uncertainty is more pronounced today than in the past. Due to uncertainty, companies tend to stay away from long-term planning in favour of shorter-term goals. Businesses must learn to balance the need for a more reactive, short-term focus with the need for informed, long-term strategies.
- 6. Regulation.** A changing regulatory environment is always of concern in certain industries, but uncertain energy, environmental and financial policy is wreaking havoc for nearly all companies today. Whether a demand from customers or shareholders to become more "green," or the threat of increased costs due to new carbon taxes, environmental considerations are among the biggest challenges businesses face today
- 7. Problem Solving and Risk Management.** A major challenge for all companies is identifying, assessing, and mitigating risks, including human and financial capital, in addition to the macro economy. The lack of a sophisticated problem-solving competency among today's business leaders is limiting their ability to adequately deal with risks facing their businesses.
- 8. Finding the right staff.** Without exception, every business executive says that one of their biggest challenges is staff – finding the right staff, retaining them, and ensuring they buy into the vision of the business. A small business is almost like a family, and, like many families, they can work well, in big companies, the human resource challenge is politics and fit in the workplace The key is to learn how to deal with different personalities, figure out what drives each individual team member and tailor management accordingly.

Key Words

Business Environment:

Business environment means all the internal and external factors that affect how the company functions including employees, customers, management, supply & demand and business regulations.

Banking:

The business activity of accepting and safeguarding money owned by other individuals and entities, and then lending out this money in order to earn a profit is called as Banking.

Insurance:

Insurance is a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses from an insurance company.

Reforms:

Reform means the improvement or amendment of what is wrong, corrupt, unsatisfactory, etc.

Capital Adequacy:

Capital requirement (also known as regulatory capital or capital adequacy) is the amount of capital a bank or other financial institution has to hold as required by its financial regulator. This is usually expressed as a capital adequacy ratio of equity that must be held as a percentage of risk-weighted assets.

Directed Credit:

Directed credit is a major objective of bank in order to make the bank credit available to the priority sector, comprising of agriculture, small scale industries, exports, transporters and small traders at concessional rates.

IRDA:

IRDA is the acronym for the Insurance Regulatory and Development Authority of India, which is the apex body overseeing the insurance business in India.

3. Review of Literature

Dr D. Suryachandra Rao (2 Jan - June 2007) Reforms in Indian Banking Sector - An Evaluative Study of the Performance of Commercial Banks, Journal of Contemporary Research in Management, Volume-1, No.1

Financial sector reforms were initiated in the country in 1992 with a view to improving the efficiency in the process of financial intermediation, enhancing the effectiveness in the conduct of monetary policy and creating conducive environment for the integration of domestic financial sector with the global system.

Chaudhary P. (2012) "Awareness and satisfaction level of consumers towards insurance products – a case study of Panipat city", International Journal of Research in IT & Management, 2(7), 68-74.

Today India is one of the fastest growing economies of the world. The Insurance Industry contributes to the financial sector of an economy and also provides social security to the people of a country. The income earning capacity and increasing rate of literacy are the key factors of the growth of the Insurance industry. This sector provides for the long term contractual savings and security. The investors in life insurance are looking for both good return and life risk coverage.

Jain & Goyal, (2012), “An empirical study of the level of awareness towards various rights and duties among the insured households in Rajasthan, India”, International Refereed Research Journal, 3(2), 40-49.

The insurance industry is in existence since long, the level of awareness towards the rights and duties regarding insurance are negligible. It is important to understand the awareness of the people towards the rights and duties towards life insurance products after the privatization of the insurance sector. There is a significant association between the demographic determinants and the awareness towards the rights and duties regarding life insurance. There is a low level of awareness towards rights and duties among the policy holders of life insurance.

Srivastava A., Tripathi S. & Kumar A., (2012) “Indian Life Insurance Industry – The Changing Trends”, Journal of Arts, Science & Commerce (2012), 3(2), 93-98.

Insurance industry contributes to the financial sector of an economy and also provides an important social security net in developing countries. The growth of the insurance sector in India has been phenomenal. The insurance industry has undergone a massive change over the last few years and the metamorphosis has been noteworthy. There are numerous private and government insurance companies in India that have become synonymous with the term insurance over the years. Offering a diversified product portfolio and excellent services the many insurance companies in India have managed to make their way into almost every Indian household.

Chandhok A., (2012) “A Study on the Attitude of General Public towards LIC after the Privatization”, IJLESS International Journal of Languages, Education and Social Sciences, 2(1), 11-20. 43

After the opening of the insurance sector in 1999, many new players have entered in the business of Life insurance sector; the degree of competition has increased multifold. The private insurance companies are launching new innovative insurance plans for their survival and growth. At the same time, Life Insurance Corporation of India has upgraded their quality of service to retain, maintain and attract new business. An attempt has been made to study the impact of privatization on LIC. The Development Officers were contacted to know their observations about the impact of privatization on their life insurance business and their views as how their life insurance business has been influenced by the opening of the sector. LIC has made a lot of changes in its operation and latest technology is being used to serve the customer. The customer grievances are properly attended and all maturity claims are settled to the entire satisfaction of the policyholders. The privatization of the sector has brought lot of opportunities for all the players. Under such situation, fittest of the fit will survive and the rest will vanish over a period of time.

3. Hypothesis of the study

H₀: Reforms in banking and insurance business has a positive impact on changing business environment challenges.

4. Objectives

1. To understand business environment
2. To study challenges faced due to changing business environment
3. To study reforms in banking business
4. To study reforms in insurance businesses
5. To study reforms in banking and insurance business as a solution to changing business environment challenges.

5. Research Methodology

The research paper is based on secondary data. Various books, search engines, were used to collect secondary data.

6. Limitations : The Researchers faced certain limitations while conducting the study:

- 1) One of the major constraints was time as only few days were available for conducting the research.
- 2) Using only secondary data was another limitation of the study.

7. Data analysis and Interpretation Business Environment Challenges

An organisation does not exist in a vacuum. It exists in its environment, which provides resources and limitations.

If an organisation adapts to its environment, it will prosper, otherwise it will fail. An organisation and its environment are interdependent and interact very intensively. The organisation depends upon its environment for the resources and opportunities necessary for its existence. The environment contributes resources to the organisation only if the organisation returns desired goods and services to it.

Effects of the Environment on the Business.

Environmental factors affect the Business in two ways.

- 1) They set limits and pose threats.
- 2) They also provide opportunities and challenges.

The business environment always poses challenges because there are new things that come up in business every day. The new ideas that are coming up in business can work well and remain in the business environment or fail and be removed from the business environment. When these ideas that get accepted to the business environment start to be used in the market, it is important that even the new businesses also start using them. The new businesses and the old ones can also choose not to accept the new ideas and refuse them using all the available economic tools.

Reforms in Banking and Insurance Businesses.

What is Reform?

Though there exists no standard definition for the term reform, it is generally used in the sense of denoting **the improvement or amendment of what is wrong, corrupt, unsatisfactory, etc.**

Banking Business:

The business activity of accepting and safeguarding money owned by other individuals and entities, and then lending out this money in order to earn a profit is called as Banking. "Banking" means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise. Banks have to follow RBI directives while accepting deposits & lending of money.

Insurance Business :

Insurance is a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses from an insurance company. A contract of insurance is a contract by which one party in consideration of the price paid to

him proportionate to the risk provides security to the other party that he shall not suffer loss, damage etc. by the happening of certain specified events.

Reforms in Banking and Insurance:

Reform in Banking and Insurance is the mainstay of any economy and it contributes immensely in the mobilization and distribution of resources. Reforms in these sectors have long been viewed as significant part of the program for policy reform in developing nations. They are expected to increase the efficiency of resource mobilization and allocation in the real economy to generate higher rates of growth.

The main purpose of the reforms in India were found as under:

- 1) Removal of the existing financial repression.
- 2) Creation of an efficient, productive and profitable financial sector.
- 3) Enabling the process of price discovery by the market determination of interest rates that improves allocate efficiency of resources rather than administered interest rates.
- 4) Providing operational and functional autonomy to institutions instead of excessive government control.
- 5) Preparing the financial system for increasing international competition.

Reforms in Banking Sector

Bank's Approach towards Reform:

Banking sector reforms were an important part of the broader agenda of structural economic reforms introduced in India in 1991. It was necessary to impose social control over banking to give it a developmental thrust, with a special emphasis on extending banking in rural areas. The strategy for banking reforms was broadly similar to that followed in other countries. It was similar to the extent that it focused on imposing prudential norms and improving regulatory supervision to meet Basel I standards (standards that were formulated by the committee of the Bank of International Settlement, or BIS, based in Basel, Switzerland), and it aimed at increasing competition to promote greater efficiency.

However, there were two important differences compared with reforms in other countries. First, the reforms in banking were much more gradualist than in most countries

Second, unlike the case in many other countries, there was never any intention to privatize public sector banks. Both private sector banks and foreign banks were allowed to expand their market share.

There was a great deal of progress in introducing prudential norms for income recognition, asset classification, and capital adequacy in a phased manner. Income recognition norms and capital adequacy norms have been fully aligned with Basel I standards, while asset recognition norms, are close to existing international standards.

The first stage of reforms was shaped by the recommendations of the Committee on the Financial System (Narasimham Committee), which submitted its report in December 1991, suggesting reforms in banking, the government debt market, the stock markets, and in insurance, all aimed at producing a more efficient financial sector.

The major reforms relating to the banking system were:

1) Decontrol of Interest Rates and Credit:

There has been a significant liberalization of interest rate and credit controls on commercial banks. Earlier, there were detailed restrictions on interest rates that could be paid on different types of deposits and rates that were charged to various categories of customers. These have been extensively liberalized. On the deposit side, interest rates paid on term deposits have been decontrolled, except that the RBI prescribes a maximum interest rate on short-term (15-day) deposits and also prescribes the interest rate on savings deposits. On the lending side, the detailed structure of interest rates prescribed for different types of borrowers and for different sizes of loans has been abolished; the RBI prescribes only the interest rate to be paid under the differential rate of interest scheme a very small window for loans to individuals below the poverty line. For the rest, individual banks fix lending rates with reference to the prime lending rate fixed by the bank. The reforms also abolished the requirement that banks needed to obtain RBI approval for individual credit limits fixed for large customers. With these changes, decisions on the cost of credit and the volume of credit to be extended have been left to bank management, subject to internal guidelines and procedures for credit approval and general prudential limits on single borrower and single project exposure.

2) Directed Credit:

Reducing directed credit requirements is a common feature of banking reforms, and this was the case in India as well. A major directed credit requirement was constituted by the high levels of the SLR, which preempted bank resources to finance the government deficit at low interest rates. Preemption of credit by the government also occurred indirectly because the RBI followed a practice of automatically issuing ad hoc Treasury bills to meet any shortfalls in the government's balances with the RBI.

The other major form of directed credit was the requirement that 40 percent of commercial credit has to be extended to the priority sector, which includes agriculture, small-scale industry, small transport operators, artisans, and so on.

3) Banking Supervision:

A Board of Financial Supervision, with an advisory council and an independent department of supervision, was established in the RBI.

A new supervisory reporting system was introduced in 1995, using the CAMELS approach (capital adequacy, asset quality, management, earnings, liquidity, and system for risk assessment) to assess the financial position of banks.

In 2003 the RBI introduced a framework of prompt corrective action under which banks falling short of predetermined critical levels of capital adequacy, percentage of nonperforming assets (NPAs), and return on assets would automatically trigger some mandatory corrective action. An effective framework for corrective action is particularly important which corrective action is the best way of preventing regulatory forbearance.

4) Increasing Competition:

Increasing competition within the banking sector was an integral part of the reforms as a means of promoting efficiency in the sector, and important steps were taken in this direction. New banking licenses for Indian private sector banks, which had not been granted for many years before the reforms, were granted, and several new Indian private sector banks were established in the 1990s.

5) **Public Sector Banks:**

A number of steps were taken to improve the efficiency of public sector banks, including rationalizing the branch network and reducing the labour force through voluntary retirement plans. Productivity enhancement through information technology application was also pursued. Public sector banks offer online banking facilities at a large number of their branches. Public sector banks have made efforts to improve recruitment and develop better human resource development policies. The public sector banks have improved their performance in the post reform period.

6) **The Future Agenda:**

The agenda for banking reforms in the future involves the continuation of the process of aligning prudential norms and supervision systems to the best international practices.

An immediate challenge facing the public sector banks relates to the case for merging some of the banks to create stronger banks with a larger capital base and therefore correspondingly larger capacity to finance large projects. Given the size of the economy and its projected growth, there is a case for having at least two banks at a scale comparable to the larger Asian banks.

Reform of the Insurance Sector

The Insurance sector in India directed by Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and General Insurance Business (Nationalisation) Act, 1972, Insurance Regulatory and Development Authority (IRDA) Act, 1999 and other related Acts. The basis of liberalizing the banking system and encouraging competition among the three major participants' viz. public sector banks, Indian private sector banks, and foreign banks, applies equally to insurance. There is a strong case for ending the public sector monopoly in insurance and opening it up to private sector participants subject to suitable prudential regulation.

A competitive insurance industry providing diversified insurance products to fulfil differing customer needs, can help increase savings and allocate them efficiently. The insurance and pensions industry has long-term liabilities which it seeks to match by investing in long-term secure assets. A healthy insurance is an important source of long-term capital in domestic currency which is especially for infrastructure financing. Improvements in insurance will strengthen the capital market at the long-term end by adding new companies in this section of the market, giving it greater depth or liquidity. Reforms in insurance are likely to create a flow of finance for the corporate sector if people can simultaneously make progress in reducing financial deficit.

The Malhotra Committee had suggested opening up the insurance sector to new private companies as early as 1994. It took five years to build an agreement on this issue and legislation to open up insurance, allowing foreign equity up to 26 per cent was finally submitted to Parliament in 1999.

With the passing of IRDA Act in 1999, reforms in insurance sector were initiated in India. IRDA incorporated as a statutory body in April 2000 and brought about several crucial policy changes. The goals of IRDA are to safeguard the interests of insurance policy holders, as well as to initiate different policy measures to help sustain growth in Industry. In 1993, Malhotra Committee headed by former Finance Secretary and RBI Governor R.N. Malhotra was formed to evaluate the Indian Insurance Industry and to recommend its future

direction. The basic objective of the committee was to complement the reforms initiated in the financial sector. Committee submitted its report in 1994 and suggested:

- 1) Government stake in the Insurance Company to be brought down to 50%.
- 2) Take over the holdings of GIC and its subsidiaries so that these subsidiaries can act as independent corporations.
- 3) Allowing the private company with a minimum paid up capital of INR one billion to enter the sector.
- 4) No company should deal in both life and general insurance through a single entity.
- 5) Foreign company to enter the industry only through collaboration with Indian company.
- 6) Setting up of an independent insurance regulatory body.
- 7) Reduce the mandatory investment of LIC Life Fund in government securities to 50% from 75%.
- 8) GIC and its subsidiaries are not to hold more than 5% in any company.
- 9) Payment of interest by LIC on delays in payment beyond of 30 days.
- 10) Computerization of operations.
- 11) Issues of long-term unit linked insurance plans.

Overall Impact of Reforms

It is assessed that since last many years, there have been major improvements in the working of various financial market contributors. The government and the regulatory authorities have followed a step-by-step approach. The entry of foreign companies has helped in the start of international practices and systems. Technology developments have enhanced customer service. In general, the cumulative effect of the developments since 1991 has been quite encouraging. An indication of the strength of the reformed Indian financial system can be seen from the way India was not affected by the Southeast Asian crisis.

To sum up, we could say that, the financial sector is main element of the Indian economic system. Financial experts suggested that there is a need for effective reforms to ensure that this remains competitive and attractive for investors from across the world. Financial sector reforms are center point of the economic liberalization that was introduced in India in mid-1991. It was witnessed that national financial liberalisation has brought about the deregulation of interest rates, dismantling of directed credit, improving the banking system, enhancing the functioning of the capital market that include the government securities market. Regulators and economic experts put more emphasis on banking reforms to enhance economy and enable people to access numerous facilities. Fundamental objective of financial sector reforms in the 1990s was to create an effectual, competitive and steady that could contribute in greater measure to inspire progression.

8. Findings:

Impact of Reforms on Banking Sector:

When evaluating banking sector reform, it can be identified that banks have experienced strong balance sheet growth in the post-reform period in an environment of operational flexibility. Enhancement in the financial health of banks, reflected in noteworthy improvement in capital adequacy and improved asset quality, is distinctly observable. It is striking that this progress has been realised despite the espousal of international best practices in prudential norms. Competitiveness and productivity gains have also been enabled by proactive technological deepening and flexible human resource management.

These significant gains have been achieved even while renewing goals of social banking viz. maintaining the wide reach of the banking system and directing credit towards important but underprivileged sectors of civilization.

Impact of Reforms on Insurance Sector:

Opening of insurance sector to private sector, local and global operators has resulted into the new entrants introducing a wider range of products along with more need-based selling techniques. They are offering a wide range of products covering benefits such as accidental death, critical illness, total and permanent disability and guaranteed insurability. Following them LIC also introduced the unit linked products to fight competition with private players.

As a result, consumers have a wider choice new insurance schemes. Furthermore, the claims settlement has become customer friendly.

Companies have transformed customer relationship management to value-based client relationship. A flexible pricing structure for sustaining customer confidence and interest have been introduced. The insurance companies are focusing on pricing, distribution, risk management and investment decision-making.

9. Sugessions

- 1) Improvements in the legal environment for recovery of bank dues and institutionalization of information sharing among banks will make a major contribution to increasing the efficiency of bank intermediation.
- 2) In order to achieve success in the marketing of insurance products, the entire business environment needs to be considered. The issuers must have quality people and innovative management. They must be able to employ technology effectively as the customers are well-equipped with information in today's world.
- 3) There is a lack of consumer maturity especially in rural areas, driven primarily by limited efforts by the industry. India being a developing country, the companies will have to reach the interiors of the country too.

10. Conclusion :

It is clear from the above analysis that working of banks and insurance businesses have shown a major improvement after adopting reform measures. Hence it is proved that Reforms in banking and insurance business has a positive impact on changing business environment challenges and thus Null Hypothesis is accepted. But even then, there is always a scope for improvement. As such, there is a scope to intensify and broaden the communication within the financial policymaking community.

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CRITICAL ANALYSIS OF RECRUITMENT & SELECTION PRACTICES IN UNNATI VEHICLE PVT. LTD. (RENAULT)

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Abstract:

Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organization. Selection may be defined as the process by which the organization chooses from among the applicants, those people whom they feel would best meet the job requirement, considering current environmental condition. In today's rapidly changing business environment, organizations have to respond quickly to requirements for people. Hence, it is important to have a well-defined recruitment policy in place, which can be executed effectively to get the best fits for the vacant position. Selecting the wrong candidate or rejecting the right candidate could turn out to be costly mistakes for the organization.

Key Words: *Recruitment, Selection Process, Interview Process, Manpower requirement, Sources of Recruitment, etc.*

Introduction:

Recruitment & Selection

The four stages of recruitment and selection are:

1. **Defining requirements:** preparing job descriptions and specification, deciding terms and conditions of employment,
2. **Attracting candidates:** reviewing and evaluating alternative sources for applicants, inside and outside the organization, advertising, possibly using agencies and consultants.
3. **Selecting candidates:** sifting applications, interviewing, testing, assessing candidates, employment, taking references, employment contract
4. **Introduction- induction:** Introduction to the work and the colleagues, to the organisation and its main objectives, to terms of employment.

Selection is the process of picking up individuals (out of the pool of job applicants) with requisite qualifications and competence to fill jobs in the organization. Selection process is an activity which matches job and people. It is a process through which the candidate applied for the specified jobs in large number will be short listed as per the needs of the organization. Selection process relates to the securing of the relevant information about an applicant. This information can be obtained in a different ways. Selection of men is a critical activity. It is a process of choosing from among the candidates from outside, the most suitable persons for the current position or for future positions. A formal definition of Selection is as under

Definition of Selection: "Selection is the process of differentiating between applicants in order to identify and hire those with a greater likelihood of success in a job."

Selection process is very elaborate one commencing with preliminary interview of the applicants and ending with the contract of employment. It is not a single procedure, but it is

essentially a series of methods by which additional information is secured about the organization to attract quality people.

Objective of the study:

- 1) To study the recruitment and selection process and its execution by UVPL.
- 2) To study the recruitment sources, its practice, & effectiveness.
- 3) To study the challenges of recruitment & selection in new business environment.

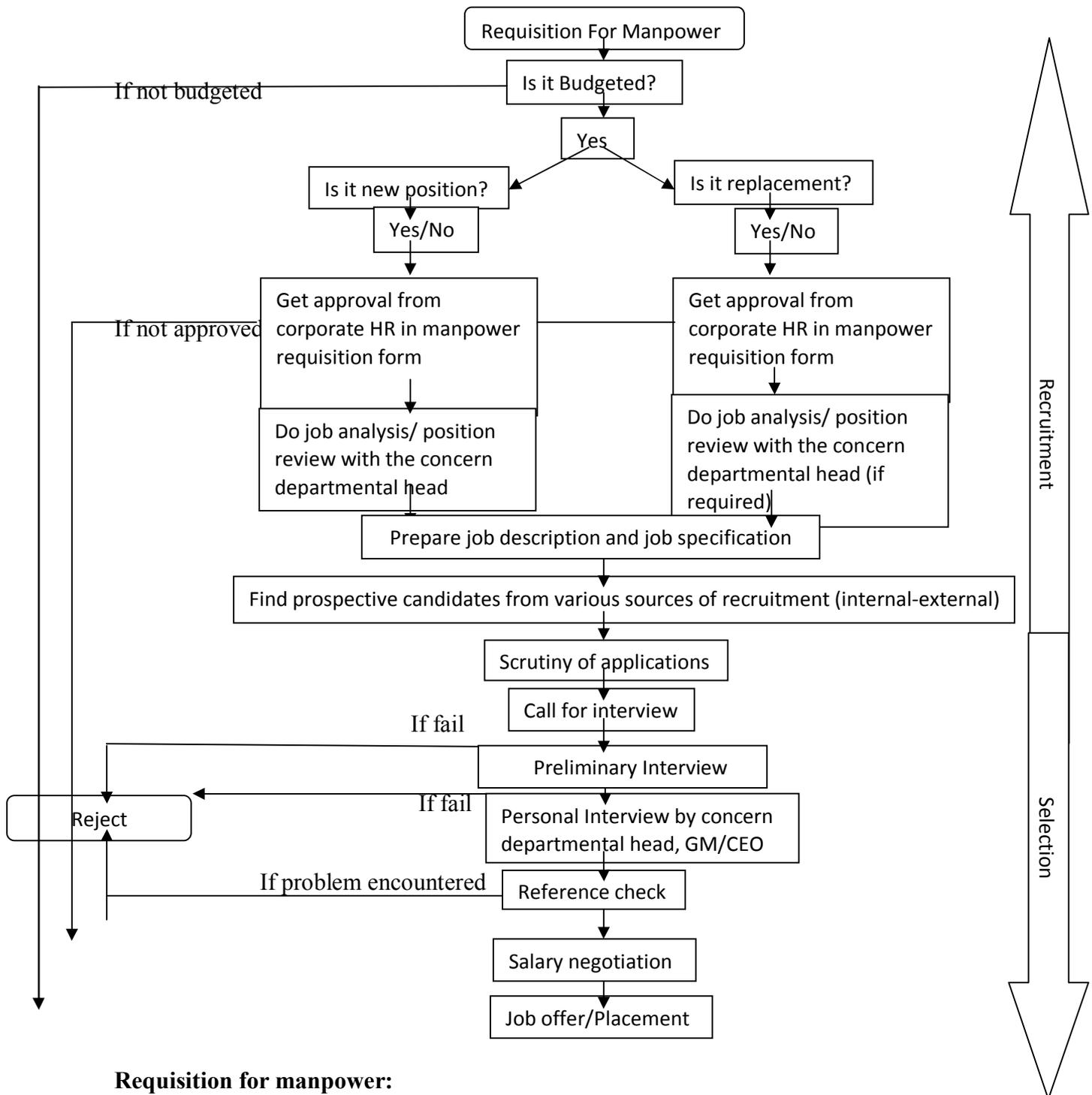
Literature Review:

According to the Burack (1985) recruitment sources are closely linked to the organizational activities as performance of employees, employee turnover, employee satisfaction, employee wishes and the commitment of the organization (Burack, 1980). These recruitment and selection processes should be done at each and every sector for fulfilling their organizational goals (Nartey, 2012). Recruitment and selection practices were important in the police department as said by Michael D. White and Glipsy Escobar (2008) in the world and this paper shows the importance of seven issues relating to recruitment, selection and training practices in the organizations (M.N.Malhotra, 2014) (Terpstra.D, 1996). Mohammed NurulAbsar (2012) says the importance of recruitment and selection in his paper by considering both public and private manufacturing firms in Bangladesh (M.M.Absar, 2012). Some of the research professionals and scholars say that there is a close linkage between the recruitment, selection, employee satisfaction, organization performance and HR practices (Gorter, 1996). In his paper Recruitment and Selection of public workers: An international compendium of modern trends and practices say that the importance of using technology in the recruitment and selection process for updating the organizational resources (Hays, 2004). Ongori Henry and Temtime Z (2009) say that in their paper the recruitment and selection practices of the small and medium enterprises and make them to improve their HR practises (R.D.Omolo, 2012). French says that the importance of certain selection and recruitment activities in the organizations (G.R.French, 2012).

Company Introduction:

- **UVPL - UNNATI VEHICLES PVT. LTD.** - is a diversified group engages into Renault, Pharma, Businesses of Warehousing, Pharmaceuticals, C & F Agency, Retail, Logistics & Supply Chain Management and Automobiles. They own the **Authorized Dealerships** of Mahindra (2 wheelers to 36 wheelers), Swaraj, Case, Mahindra Navistar, Renault and Vespa. The company is the family of around 2000 employees.
- Managing Directors- Mr Hemang Parikh, Mr Hitesh Parikh, Mr Shankar Mehadia
- Strong Presence in Central India through cities like Nagpur, Nashik, Nanded, Aurangabad, Pune, Amravati, Wardha, Wani, Yavatmal, Gondia, Chandrapur, Akola, Jalgaon and so on.

Following is the process of Recruitment & selection of Unnati Vehicle Pvt. Ltd. Renault:
Recruitment & Selection Cycle of Organization



Requisition for manpower:

In Unnati Vehicle Pvt. Ltd. Renault, whenever there is vacancy occurs in any department of the organization, the concern departmental head is required to fill & submit MRF i.e. “Manpower requisition Form”, request to fill the vacant post. Such request is to be forward to HR Head.

MRF form includes the details required to find the right candidate: name of the requester for manpower, his designation and department, position to be filled, vacancy arises is replacement or new position, CTC to be offered (fixed/variable) and also the job profile details such as- functions the person will handle on day to day basis, qualification required, competencies, skill sets & qualities, work experience, language required, requirement of mobile/laptop/PC etc.

The form has to be approved & signed by the authority persons: firstly by the requestor of the particular department (mainly head of the department). Then it submits to the HR department and then signed by the Local HR. Then it is to **be verified and approved by the CEO/Senior GM. Once it is approved by them it has to be circulated to the corporate HR and verified/approved by Corporate HR.**

➤ **New position or replacement:**

New position can be arises due to various reasons such as increase in the demand of products or services offered by a company or the new organization has been established therefore staff is required, change in work procedure/equipment may create openings. Renault dealership also requires the manpower due to these various reasons and the major reason for the vacancy is expansion of business.

➤ **Get approval from corporate HR in manpower requisition form:**

The local HR Manager and Corporate HR Head verify the “Manpower Requirement Versus Actual Gap” and “Manpower Budget”. If manpower requirement is not budgeted, whether it is new position or replacement then the MRF can be hold on or may be rejected.

➤ **Job Analysis:**

If manpower request is budgeted then **job analysis** is to be done by HR head after the detail discussion with the immediate superior regarding new position. **They prepare job description** which describes the functions, responsibilities of a position and **Job specification**-the job requirements and the competencies possessed by the candidates to perform in a job such as the qualifications or skills needed by the person in the job.

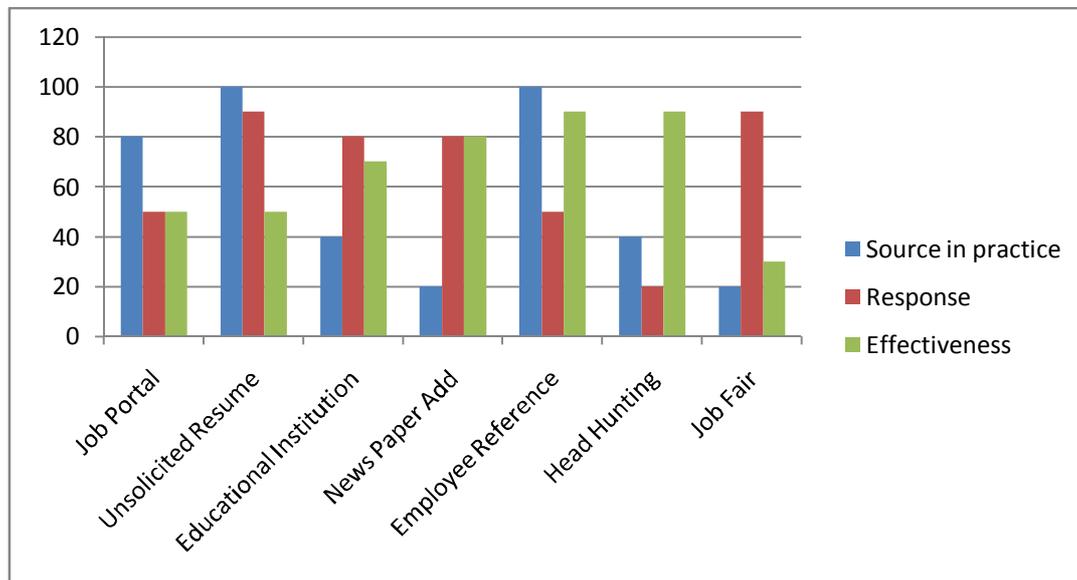
➤ **Find prospective candidates from various sources of recruitment:**

Searching of suitable candidates and informing them about the openings in the enterprises is the most important aspect of Recruitment & Selection.

➤ **Following are the sources of Recruitment and Selection in Unnati Vehicle Pvt Ltd. Renault:**

- 1) Job Portal- Naukri.com
- 2) Unsolicited Resume
- 3) Educational Institution
- 4) News paper advertisement
- 5) Employee Reference
- 6) Head hunting
- 7) Job fair

Prominent approaches of Recruitment & Selection in UVPL Renault:



1) **Job Portal:** Job posting subscription with Job Portal-Naukri.com is one of the recruitment source to find the prospective applicants for the specific job profile. But as per the changing business environment and the challenges ahead, it is very time consuming and less effective. And by the observations it is to be found that in dealership there are few candidates who upload the resume over the job portal. In Renault Dealership of UVPL the job openings are very frequent, therefore from the chart it is to be observed that where the source in practice by 80% its response and effectiveness is of 50%.

2) **Unsolicited Resume:** This is a form/resume that is filled out or a letter submitted by a job applicant for a position that is not vacant or advertised at the time of submission. Recruiter accepts unsolicited applications that go into a general pool of candidates for future reference. They have been called whenever vacancy arises, but there is the possibility that they may join somewhere else at that time and also it is not sure that all unsolicited resumes are useful. Therefore from the chart it is to be observed that where sources in practice is of 100% its response is 90% and effectiveness is 50%.

3) **Educational Institution:** Educational Institution/ Campus recruitment is one of the best recruitment source. Students have been recruited from the Rasoni college of MBA department & Mechanical Engineering Department for the position of Trainee Sales consultant & Trainee Service Advisor. So the productivity of this recruitment is satisfactory as the manpower get available in bulk therefore in the chart the efficiency from campus recruitment is as equal as expected. But the drawback is that the appointed candidates are fresher over the job and the openings for fresher candidates are very few. Therefore the from the chart it is to be observed that where source in practice by 40% its response is 80% but the effectiveness is of 70%.

4) **Job Fair:** Once company participated in a mega job fair which was conducted in Nagpur location. There were various companies participated in mega job fair and around 1000 candidates were approached and applied for the vacancies but the crowd of the manpower was not quality manpower. Therefore from the chart it is to be observed that where source in practice is of 20% Its response is 90% and effectiveness is of 30%.

5) **News paper advertisement:** whenever there is bulk manpower requirement arises, news paper advertisement was takes place. Advertisement was published for various positions & for different locations. The response was good. Therefore the from the chart it is to be observed that where source in practice is of 20% Its response is 80% and effectiveness is of 80%.

6) **Employee Reference:** Existing employees can refer the candidate for the vacant post by their own reference. Referred candidate can be selected only if they are suitable for vacant position. Where it is practiced by 100% its response is of 50% and effectiveness is of 90%. Employee does not receive any award/incentive for candidate recommendation so they have casual approach for referring the more and quality of candidate. Therefore it is observed that this source is not that effective as it can be if it is rewarded.

7) **Head Hunting:** Head hunting is the form of recruitment and selection where the recruiter finds the contact details of a specific candidate that has some specific skills and contact him in order to convince him to participate in recruitment process. Head hunting recruitment was done by visiting at different four wheeler dealership outlets to search prospective candidates by maintaining relationship. From the chart it is to be observed that where source in practice is of 40% Its response is 20% and effectiveness is of 90%.

8) **ERE Program:** Employee Referral Employee Program is one of the recruitment source proposed by me to fulfill the manpower requirement. ERE program is as follows:

The present employees know both the company and the candidate being recommended. It is encouragement to the existing employees to assist us in getting applications. 1000 rupees (each candidate) as a reward will be given if candidates are recommended by them are actually selected and remain over the job for minimum six months.

The proposal was not approved but I hope they will avail the benefit from this source of recruitment in future.

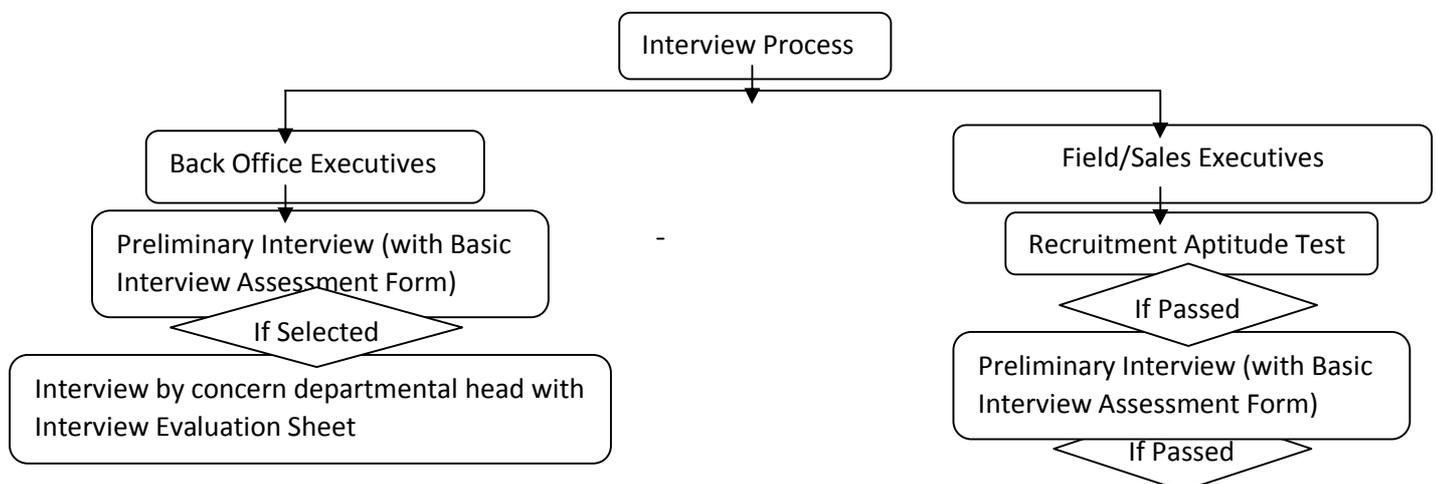
➤ **Scrutiny of applications:**

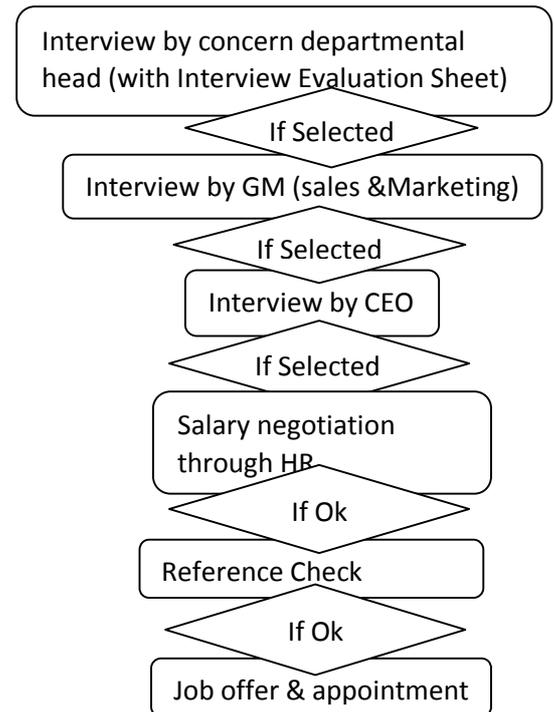
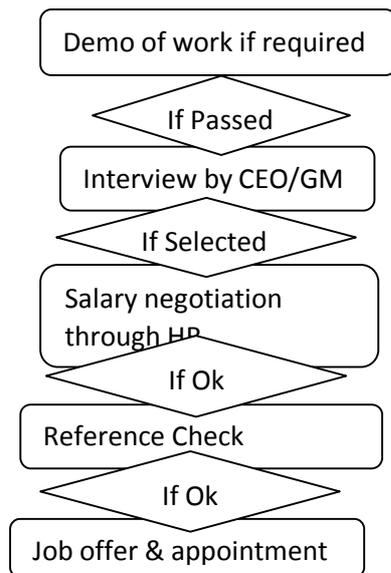
➤ Scrutiny of applications is often the most challenging and time consuming step in the selection process. The applications were shortlisted on the basis of criteria includes education, work experience, consistency over the previous jobs etc.

➤ **Call for interview:**

After short listing the applications they have been called for an interview by the telephone.

Interview Process:





From the above interview process it has been observed that the interview for back office position is different from the position of sales and marketing. The common part of interview is preliminary interview via Basic Interview Assessment Form (proposed & initiated by me) where the candidate have been asked very basic questions such as name, age, marital status, family background, educational background, gap in education if any, reason for the same, total year of experience, relevant experience, salary of previous company, reason for leaving the old job, (frequency of leaving the jobs), salary expectations etc.

The Basic Interview Assessment Form has been discussed to the concern departmental head, and the candidate has been sent to them for interview. The candidate who has been applied for back office is required to give the demo of work (if required) which is specifically required to perform the job. Candidate has been interviewed by the concern departmental head with the Interview Evaluation Sheet mainly includes-Leadership competencies i.e. analytical ability, technical knowledge, risk taking ability, ability to deal effectively with pressure, ability to work in team, communication skill etc. and the Functional Dimensions includes job knowledge, business understanding, rated out of 100 marks.

If the position is of sales consultant, the candidate has to pass the aptitude test (proposed & initiated by me) includes numerical ability, reasoning, knowledge of sales and marketing, etc. Sales and marketing person is responsible to present the company and its product for which he requires some specific abilities and knowledge. More than one year experienced candidates are exempted from aptitude test.

Final Interview is taken by the GM/CEO. Basic Interview Assessment Form- for preliminary interview by HR executive, Interview Evaluation Sheet-Interview by concern departmental head or local HR Manager & Resume is to be submitted to the Senior General Manager/CEO which requires in final selection of the particular candidate. If candidate get selected then salary negotiation takes place by the HR executive or HR Manager.

Reference check: Part of the hiring process, checking the background of prospective employees who are seriously considering for the vacant position. It is the checking with an applicant's former employers and personal references.

Finally the candidate has been offered the job via **offer letter** and **appointment letter** at the time of joining.

Findings:

- The urgent requirement of manpower becomes the burning issue most of the time in such case recruitment process proves lengthy and ineffective which results into delay in appointment of the manpower and dissatisfaction to the concerned department.
- In new business environment manpower appointment requires new, fast & effective sources of recruitment.
- To attract quality manpower and stimulate them to apply for the job is the most challenging job in recruitment due to scarcity of quality of manpower.
- To identify the right man among the pool of applicant is another challenge in selection process.

Recommendations & Suggestions:

- 1) Where the openings are very frequent and appointment become urgent the recruitment process proves time consuming and less effective. By taking this into consideration it is to be suggested that the recruitment process should redesign as per the actual requirement.
- 2) To fulfill the urgent manpower requirement, management should adopt the fast/quick responding sources of recruitment such as Job Consultancy, ERE Program etc.

Conclusion:

Recruitment and Selection process includes steps like HR Planning, attracting applicant and screening them. It is not an easy task as organization's future depends on this activity. To cope up with the challenges in recruitment and selection it is important to change or redesign the recruitment and selection procedure and policy as per the changing business environment. The recruitment and selection playing vital role in UVPL Renault and it can be more effective if they avail the new strategies of recruitment and selection to which new business trend demands.

“TRENDS OF NEW GADGETS & JEWELLERY FOR COMMUNICATION”

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ABSTRACT:

Mobile computing is beginning to break the chains that tie us to our desks, but many of today's mobile devices can still be a bit awkward to carry around. In the next age of computing, there will be an explosion of computer parts across our bodies, rather than across our desktops. Jewellery is worn for many reasons -- for aesthetics, to impress others, or as a symbol of affiliation or commitment. Basically jewellery. adorns the body, and has very little practical purpose. The combination of microcomputer devices and increasing computer power has allowed several companies to begin producing fashion jewellery. With embedded intelligence i.e., Digital jewellery.

This visionary paper concentrates on how instead of one single device, eg: cell phones will be broken up into their basic components and packaged as various pieces of digital jewellery.. It also enlightens on how various computerized jewellery. (like ear-rings, necklace, ring, bracelet, etc.,) will work with mobile embedded intelligence. It seems that everything we access today is under lock and key. Even the devices we use are protected by passwords. It can be frustrating trying to keep with all of the passwords and keys needed to access any door or computer program. This paper discusses about a new Java-based, computerized ring that will automatically unlock doors and log on to computers.

Keywords - Mobile computing embedded intelligence, cell phones, digital jewellery, micro computer devices.

INTRODUCTION:

May be not today, may be not tomorrow, but it will definitely come. The latest computer craze has been to be able to wear wireless computers. The Computer Fashion Wave, "Digital Jewellery." looks to be the next sizzling fashion trend of the technological wave. In the next wave of mobile computing devices, our jewellery. Might double as our cell phones, personal digital assistants (PDAs) and GPS receivers.

The combination of shrinking computer devices and increasing computer power has allowed several companies to begin producing fashion jewellery. With embedded intelligence. Today, manufacturers can place millions of transistors on a microchip, which can be used to make small devices that store tons of digital data. Digital Jewellery. Appears to be one of the biggest growing promotions of its time. Imagine being able to e-mail your boss just by talking into your necklace, or by picking up messages through your watch. The whole concept behind this is to be able to communicate to others by means of **wireless** appliances. The other key factor of this concept market is to stay fashionable at the same time. Cellular phones are often said to be attached to our ears in this day and age. Yet they can tend to be an eye sore.

OBJECTIVE OF THE STUDY

- To analyse new gadgets & tools of communication.
- To understand the prospects of technology used.

SCOPE OF THE STUDY

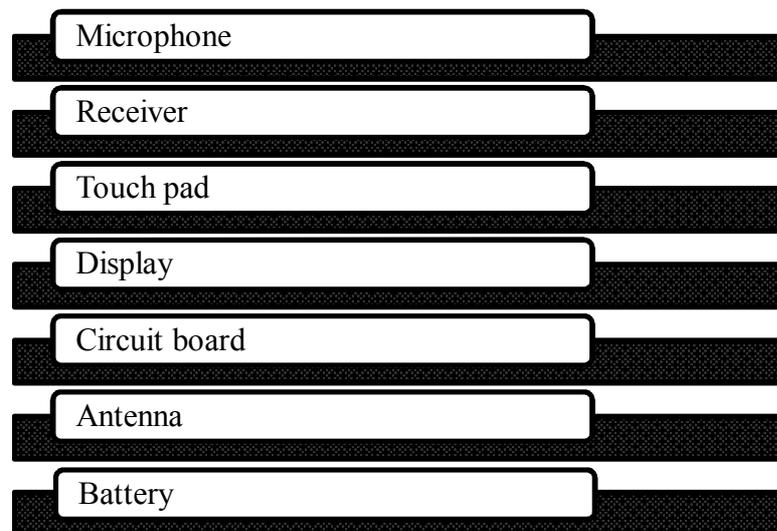
The paper is based purely on the secondary data available through various sources & used as a reference for analysis & finding new trends of technology from future point of view.

DEFINITION:

Digital jewellery is the fashion jewellery. With embedded intelligence. “Digital jewellery.” can help you solve problems like forgotten passwords and security badges. These devices have a tiny processor and unique identifiers that interact with local sensors. “Digital jewellery.” is a nascent catchphrase for wearable ID devices that contain personal information like passwords, identification, and account information. They have the potential to be all-in-one replacements for your driver’s license, keychain, business cards, credit cards, health insurance card, corporate security badge, and loose cash. They can also solve a common dilemma of today’s wired world – the forgotten password.

HOW DIGITAL JEWELLERY. WORKS:

Soon, cell phones will take a totally new form, appearing to have no form at all. Instead of one single device, cell phones will be broken up into their basic components and packaged as various pieces of digital jewellery.. Each piece of jewellery. will contain a fraction of the components found in a conventional mobile phone. Together, the digital-jewellery. Cell phone should work just like a conventional cell phone.



VARIOUS COMPONENTS INSIDE A CELL PHONE:

IBM has developed a prototype of a cell phone that consists of several pieces of digital jewellery. That will work together wirelessly, possibly with Bluetooth wireless technology, to perform the functions of the above components.

Here are the pieces of computerized-jewellery. Phone and their functions:

Earrings - Speakers embedded into these earrings will be the phone's receiver.

Necklace - Users will talk into the necklace's embedded microphone.

Ring - Perhaps the most interesting piece of the phone, this "magic decoder ring" is equipped with light-emitting diodes (LEDs) that flash to indicate an incoming call. It can also be

programmed to flash different colours to identify a particular caller or indicate the importance of a call.

Bracelet - Equipped with a video graphics array (VGA) display, this wrist display could also be used as a caller identifier that flashes the name and phone number of the caller.

With a jewellery. Phone, the keypad and dialling function could be integrated into the bracelet, or else dumped altogether -- it's likely that voice-recognition software will be used to make calls, a capability that is already commonplace in many of today's cell phones. Simply say the name of the person you want to call and the phone will dial that person. IBM is also working on a miniature rechargeable battery to power these components.



In addition to changing the way we make phone calls, digital jewellery. will also affect how we deal with the ever-increasing bombardment of e-mail. Imagine that the same ring that flashes for phone calls could also inform you that e-mail is piling up in your inbox. This flashing alert could also indicate the urgency of the e-mail. Two of the most identifiable components of a personal computer are the mouse and monitor. These devices are as familiar to us today as a television



FIG: The eyepiece above displays images and data received wirelessly from the Communicator's belt module.

The mouse-ring that IBM is developing will use the company's Track Point technology to wirelessly move the cursor on a computer-monitor display. You're probably most familiar with Track Point as the little button embedded in the keyboard of some laptops. IBM Researchers have transferred Track Point technology to a ring, which looks something like a black-pearl ring. On top of the ring is a little black ball that users will swivel to move the cursor, in the same way that the Track Point button on a laptop is used.

This Track Point ring will be very valuable when monitors shrink to the size of watch face. In the coming age of ubiquitous computing, displays will no longer be tied to desktops or wall screens. Instead, you'll wear the display like a pair of sunglasses or a bracelet. Researchers are overcoming several obstacles facing these new wearable displays, the most important of which is the readability of information displayed on these tiny devices



Charmed Technology is already marketing its digital jewellery. Including a futuristic-looking eyepiece display. The eyepiece is the display component of the company's Charmed Communicator, a wearable, wireless, broadband-Internet device that can be controlled by voice, pen or handheld keypad. The Communicator can be used as an MP3 player, video player and cell phone. The Communicator runs on the company's Linux-based Nanixoperating system.

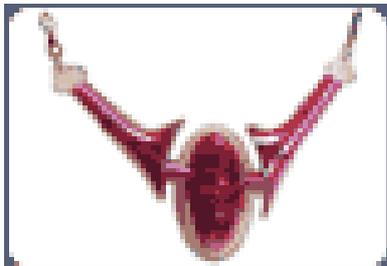
OTHER DESIGNS AVAILABLE:

GARNET BROACH:



Above is a picture of a garnet brooch containing a microphone. This enables you to record messages just by pressing a small button on the side.

RED RUBY NECKLACE



The necklace to the left would have a microphone built in. All you would need to do to use it press a small button in the back. Then you can proceed to record your message.

JAVA RING

It seems that everything we access today is under lock and key. Even the devices we use are protected by passwords. It can be frustrating trying to keep with all of the passwords and keys needed to access any door or computer program. Dallas Semiconductor is developing a new Java-based, computerized ring that will automatically unlock doors and log on to computers.



FIG: The Java Ring can be programmed to give you access to every door and device.

The Java Ring, first introduced at Java One Conference, has been tested at Celebration School, an innovative K-12 school just outside Orlando, FL. The rings given to students are programmed with Java applets that communicate with host applications on networked systems. Applets are small applications that are designed to be run within another application. The Java Ring is snapped into a reader, called a Blue Dot receptor, to allow communication between a host system and the Java Ring.

The Java Ring is a stainless-steel ring, 16-millimeters (0.6 inches) in diameter, which houses a 1-million-transistor processor, called an iButton. The ring has 134 KB of RAM, 32 KB of ROM, a real-time clock and a Java virtual machine, which is a piece of software that recognizes the Java language and translates it for the user's computer system.

Mobile computing is beginning to break the chains that tie us to our desks, but many of today's mobile devices can still be a bit awkward to carry around. In the next age of computing, we will see an explosion of computer parts across our bodies, rather than across our desktops. Digital jewellery. Designed to supplement the personal computer, will be the evolution in digital technology that makes computer elements entirely compatible with the human form.

TECHNICAL SPECIFICATIONS OF DIGITAL JEWELLERY:

Digital jewellery devices consist of a screen or display for information, most likely consisting of 7-16-segment, or dot matrix LEDs, LCDs, or other technologies such as electroluminescent material (EL) or others, which could become an optional display. So too, an audiovisual or other 'display' could consist of a speaker, a single flashing light, a sensor of some kind (such as a temperature driven EL display), or other informational aesthetic. The display layer (d) sits on a face of the device, which is enclosed in some material such as plastic, metal, crystal, or other material. It has external switches and buttons on its side and a data-port for accessing the programmable electronic circuit inside. A microcontroller that is a surface mounted device (SMD) on a printed circuit board (PCB) with resistors (R) and capacitors (C) are the internal 'guts' of the jewellery (www.howstuffworks.com, 2017).

DISPLAY TECHNOLOGIES:

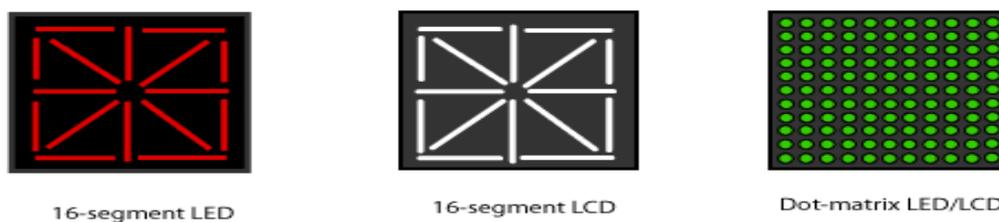
The digital jewellery. display, for instance, every alphabet and number system has found representation within the electronics realm and 'dot-matrix' (a matrix of single LEDs) is used to display Chinese and Japanese and other character sets, as can the alternative display for LCDs (liquid-crystal-displays) also be used, as often found in watches, given the specifications and uses for the EMJ device and its design parameters.

The digital jewellery display itself can be both an illuminated symbol and an information device, or one or another conception and form factor. For educational purposes

though, a device, which can display alpha numeric, is of prime importance to basic literacy of how numbers, letters, code, and electronics find their integration in a cultural device.

Digital Jewellery. Can be made in many different sizes and shapes with a variety of materials ranging from plastic and metal to rubber and glass. They utilize electromagnetic properties and electronics to display information through a screen or display of some kind. This could range from LED 7-segment, 16-segment, dot matrix, and other programmable LEDs devices to LCDs, OLEDs, and other displays, which are all driven by the self-contained jewellery.

alphanumeric or graphic Display Types



The Digital jewellery. Devices can also have multiple-functions as both wearable art and even as a type of communication device with infrared (IR) transmission and reception displays.

ELECTOMAGNETIC BEADS

The closest comparison to this model is that of 'beads' which are strung together to make a custom necklace or bracelet, with interchangeable electromagnetic component systems or devices. One bead may be a capacitor on the inside, and a solar panel on the outside (1), another bead may have an internal resistor (2), which feed power into a programmed microcontroller bead which drives an external screen (3), with other options available in a variety of bead configurations which compose a circuit, including beads with a piezo element (4), voltage regulator, crystal, or rechargeable battery (5) as part of the modular jewel circuit.

The number of data pins on the microcontroller needs to be enough to easily program the display layer plus the switches without overly complex and advanced coding methods

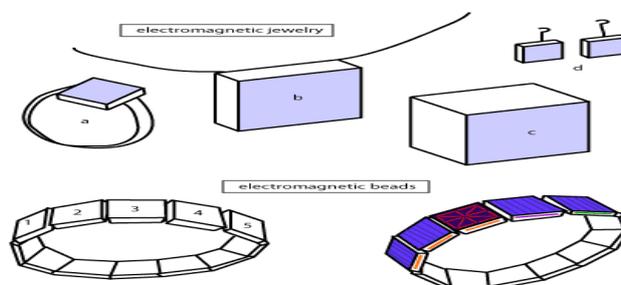
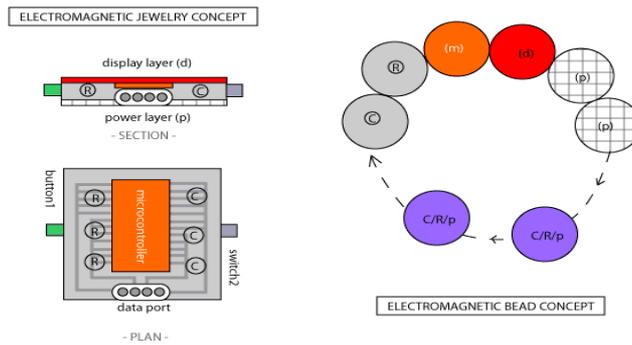


FIG: The key to the device's ability to work effectively is a balancing of electronic components within the circuit with a light-duty processing and limited power consumption required. (www.honey1411.tripod.com, 2017)



CONCLUSION:

Digital jewellery. can best be defined as wireless, wearable computers that allow you to communicate by ways of e-mail, voicemail, and voice communication. The jewellery. pieces work as a set. For example, imagine that your set consists of earrings, a necklace, and a watch. You can pick-up your messages and display them on your watch. In order to hear the message, if it's a voice message, you can listen to it in your earrings. If you want to send out a message, you can talk into your necklace and it will allow you send a voice message. The works much like that of a cellular phone. It does almost all the same functions but looks nicer. Each piece has a small button on the backside of the accessory that when pressed activates the piece. You then use each piece accordingly. You may also, once marketed, choose to buy extra pieces for the set. This may include a ring that has a vibrating chip in it. The ring would vibrate to inform you of any incoming messages.

The basic idea behind the digital jewellery. concept is to have the convenience of wireless, wearable computers while remaining fashionably sound. It is hoped to be marketable soon, however, several bugs remain. Charging capabilities and cost are just a sample of the problems that lurk.

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A STUDY OF IMPACT OF DEMONETIZATION ON INDIAN ECONOMY

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Abstract:

Demonetization refers to withdrawal of a particular form of currency from circulation. Demonetization is necessary whenever there is a change of national currency. The old unit of currency must be removed and substituted with a new currency unit. The currency was demonetized first time in 1946 and second time in 1978. On Nov. 2016, the currency is demonetized third time by the present government. Demonetization is one of the big steps initiated by Government in addressing the various issues like black money, counterfeit currency, corruption, terrorism etc. The purpose of this study is to discuss impact of demonetization on Indian economy. This paper is based on descriptive design with the involvement of secondary data. The paper will also throw light on history of demonetization in India. Some suggestions have been recommended at the end of the study to smoothen the way of demonetization and for treatment of issues resulting from demonetization.

Keywords: *Demonetization, Currency, Indian economy, Black money, Corruption, Terrorism.*

Objectives of the paper:

- To identify the positive and negative impact of demonetization on Indian economy.
- To know the objectives and reasons of demonetization.
- To study importance of demonetization.
- To provide suggestions.

Research Methodology

Research methodology is the exact way to solve the research problem in a systematic as well as authentic way involving the procedure as well as tools adopted for the research. This paper is based on descriptive design with the involvement of secondary data which has been compiled from newspapers, reports, research papers and websites as well.

Introduction

The dictionary meaning of DEMONETIZE is “To deprive (a metal) of its capacity as a monetary standard” or “To withdraw from use as currency” So, demonetization is the act of stripping a currency unit of its status as legal tender. Demonetization is the act of changing the existing currency in another form. It is the process of withdrawal of a particular form of currency from circulation. Demonetization becomes necessary whenever there is a change in the national currency. In other words demonetization means either introducing new notes or coins of the same currency or fully replacing the old currency with new currency which is usually carried out as an ambush on the black market.

Demonetization in India

In India demonetization has happened thrice. The first was on the 12th of January 1946 (Saturday), second on 16th of January 1978 (Monday) and the third was on 8th of November 2016 (Tuesday). In the January of 1946, notes of denominations 1,000 and 10,000 rupees were withdrawn from circulation and new notes of denominations 1,000, 5,000 and 10,000 rupees were introduced in 1954. Then Janata Party coalition government again

demonetised banknotes of denominations 1,000, 5,000 and 10,000 rupees on 16th of January 1978 with the notion of curbing counterfeit currency and black money. The highest of all denominations ever printed by the Reserve Bank of India was the Rs 10,000 note in 1938 and was again in 1954. But these notes were demonetized in the January of 1946 and again in the January of 1978, based on the RBI data. The first occurrence was in 1946 and the second in 1978 during which an ordinance was issued to phase out various notes with denominations of Rs 1,000, Rs 5,000 and Rs 10,000 respectively.

The demonetization of denominations Rs. 500 and Rs. 1,000 banknotes was a policy decision carried out by the Government of India on 8th of November 2016. In the declaration, the use of denominations of all Rs. 500 and Rs. 1,000 banknotes of the Mahatma Gandhi Series would be invalid after the midnight of the same day, and was also announced that the new Rs. 500 and Rs. 2,000 banknotes of the Mahatma Gandhi New Series will be issued in exchange for the above mentioned old currency notes. The move by the government is defended as an attempt to eliminate a reasonable volume of currency notes which is in the circulation because of inflation.

Reasons of Demonetization:

- 1) To promote a Cashless economy: The reason behind demonetization is to promote cashless economy which will promote digitalization in banking sector and will make people familiar with E-payment and use of plastic currency. For the development and making transparency in the economy use of less cash is important.
- 2) To eradicate counterfeit currency & to eliminate black money: The government's aim was to wipe out the counterfeit currency, scrap tax evasion, abolish black money generated out of money laundering and terrorist funding activities, and to promote a cashless e-economy. By announcing the larger denomination notes to be useless, the individuals and various black money launderers with huge collection of black money generated from the parallel black cash systems were affected and made to convert the cash money through a banking system which requires tax information from the entity.
- 3) To combat corruption: The demonetization move was claimed as an initiative to curb corruption, trafficking of drugs, and smuggling across borders.
- 4) To combat inflation: The reason behind demonetization step is combating inflation or corruption, and to discourage a dominative cash system.
- 5) Crackdown on Terrorism and Naxalism: The Indian government claims that the demonetization effort is to stop the counterfeiting of the current currency notes allegedly used for funding terrorism across the border by the neighbouring countries, and as an attack on the black money in the country.

Review of Literature:

Mukhrjee et al. (November 2016) studied about the impact of the present government move for demonetization on the credit availability, government finance, spending and levels of various activities. The researchers stated that in a very short period there would be more serious affect on persons earning income in cash as well as spending in cash while impact will be up to a lesser extent on those earnings in non-cash form but spending in cash. Each sector backing demand by cash along with the real sector especially the unorganized one will much adversely effected in very short run time. In case of short term effect having complete replacement, an immense strengthening of informal sector credit market would be seen in the rural market and there would be adverse affect on construction sector. The medium term impact would produce results in terms of enhancements in deposits in the economy.

Mohd. (November 2016) studied about the significance as well as challenges of demonetization of currency notes. Secondary data was used for this study collected from various newspapers as well as websites. The researcher concluded through the study made that no doubt this move was going to disturb the routine life of ‘Aam Aadmi’ (common man of India) influencing largely the unorganized sector including organized sector up to a limited extent but the real consequences of move will have bigger implications on the Indian economy as a whole in the long run.

Sunita (September 2014) in her research study attempted to get insight about the reasons as well as measures adopted by the government on demonetization that was implemented in Indian context. It was a conceptual study based on secondary sources. She concluded that the enhancing trade deficit, 1965’s war between India and Pakistan, gulf war, political as well as economic stability, dwindling foreign exchange reserves, withdrawn of FII’s (Foreign Institutional Investors) and strengthen of dollar were the key reasons behind the move for demonetization by the government in India and the measures adopted by the government included imposition of quantitative restrictions, provision for export subsidies, establishment of dual exchange regime, adoption of floating exchange rate system, increase in FII’s limit, enhancement of ceiling up to a limited time frame, use of some proportion of borrowed funds overseas for the domestic expenditure, withdrawn of rebooking of forward contracts post cancellation and reduction of NOOPL (Net Overnight Open Position Limit).

Deodhar in his research study visualized the concept of black money and demonetization including its form as well as the consequences and role of demonetization as a mechanism to get tackle on black money. At global level, the researcher found out that voluntary compliance played significant role than the enforcement. To have loyalty as well as trust in the tax system among your citizens was the basic priority to be focused on.⁸ It was also recommended to have a monitoring mechanism based on risk and the other key element was the coordination among education system and revenue department along with other things.⁹ The researcher also mentioned about some principles to tackle black money and those principles included removal of systematic pain leading to origination of black money at its very first place, enhance the cost for converting legitimate money into cash, systematic regulations making it easy for the participants involved in value chain to accept e-payments (electronic/online payments), implementation of mechanism to ensure safety of money for those who indulged in investing for finance black money friendly sectors, establish identity of persons as well as e-register of assets, creation of attribution chain meant for funds entering as well as exiting the country and creation of e-trails for both income as well as expenditure.

Impacts of Demonetization:

The demonetization has created various impacts positive as well as negative on Indian economy. Most of the sectors where transactions are done on cash basis were affected highly.

Positive Impacts:

- 1) **Impact of Black money:** one of the biggest benefits of this move is that it is going to drastically affect the corrupt practices. People who are holding black mney in cash may not be able to exchange much as they would be in fear of getting prosecuted by the authorities. Black money operators run a parallel economy which shakes the very foundation of the Indian economy. With current government’s demonetization move, all domestic black money will either be deposited into the banks with heavy penalty or be simply destroyed.

- 2) **Indian Economy:** Demonetization will have a huge resultant effect on the Indian economy. The clean-up of illegal cash will help turn around the economy. First, it will bring more borrowings to the exchequer, improve inflation outlook and increase India's gross domestic product (GDP). Second, it will revive investment opportunities and give a fillip to infrastructure and the manufacturing sector. Third, it will help reduce interest rates and lower income tax rate.
- 3) **Improvement in banking system:** A good economy is always said to be an economy with a sound banking system. Banking system in India will get boost, as around Rs. 7-8 lakh crores of the base money consisting of the new legal tender enter the system which in turn will create around 3-4 times more money due to re-circulation.
- 4) **Reduction in Government Liability:** Since every note is a liability to the government, the old currency will become worthless for the people who choose to not disclose their income and thus worthless with benefit the government by extinguishing its liability.
- 5) **Positive impact on government revenue:** As per CRISIL there will be direct positive impact on government tax revenue collection, its ability to spend on infrastructure investments and resultant impact on growth. Since the governments income will increase and so will the supply capacity, there will be a positive impact on the GDP on the long run.
- 6) **Neutral impact on inflation:** Inflation is expected to fall sharply in the current scenario due to a reduction in cash transaction, but in long run since government spending will rise, employment and income will push up and demand will be revived. Therefore there will be neutral impact on inflation in the long run.
- 7) **Positive impact on retail Industry:** Although in the short term, retailer may feel a pinch as consumer are facing the problem of liquidity, but the movement towards a cashless society would be positive for organized retailers as demand would shift towards them.
- 8) **Tax rates may come down:** As per a CRISIL report on demonetization – significant structure benefits on cards for India, higher income tax collection arising from better compliance would offer scope to reduce tax rates over the long term, which would increase disposable income. This can give a positive impact on consumption demand in the long term.

Negative Impact:

- 1) **Negative Impact on GDP in the short run:** GDP growth is expected to be negative for around 6 months. As consumption and demand will face a dent in the short run, the cash based economy will face a crunch. But in case the government chooses to reduce tax rates, with the increase in net disposable income in the hands of consumers, there will be net positive impact on GDP in the long run.
- 2) **Highly negative impact on sectors with a high proportion of cash transactions:** The liquidity squeeze caused by demonetization will be negative across sectors with a high level of cash transactions. Real estate, jewelry, retailing, restaurants, logistics, consumer durables and luxury brands, cement and some segments in retail/SME lending space will be facing short term instability.
- 3) **Added replacement cost of currency:** the move will give birth to an extra added cost which can be said as the replacement cost here. As the whole currency in circulation needs to be replaced so there will be a new currency which needs to be printed and this will lead to a replaced so there will be a new currency which needs to be printed and this will lead to a huge printing cost. We cannot ignore the increasing cost of operating

ATMs as now they need to be refilled more often and also it will be huge burden on banks.

- 4) **Initial hassle to create cashless society:** Initially, it is very difficult to create a cashless society as more than 50% of Indian population is not well versed with card transactions. Also for these initial months, it will be very difficult to make in cash transactions of a higher amount.

Suggestions:

No doubt, the government is making its efforts to relief its citizens and coming with innovative ideas. But there are some negative impact and problems of demonetization which need considerable focus. Following are some suggestions which must be adopted to fulfill the need of the hour and overcome the chaos:

- More and more supply of money in each bank is must to fulfill the demand of our citizens.
- Efforts must be made to make each ATM's operative and money should be there in ATM's.
- Proper tracking of people is must so that needy could be provided money and commission agents could be arrested.
- There must be effort to equip each government office with cashless machine so that people can make their e-payments smoothly.
- For networking purpose, use of satellites can be made instead on relying on towers only so that people can get benefits of e-payment apps.
- More efforts are needed to provide the huge amount meant for special occasions after getting clarified satisfactory about the same.
- Government must put its best effort to train the people at ground level even up to small villages and for such purpose contributions of government officials, teachers, sarpanchs and panchs can be availed.

Conclusion:

Demonetization in India is a great effort taken by Indian government to combat with black money and corruption. It is a bold decision taken by government. The main purpose of demonetization is eradicating the black money and reduces the corruption. Government of India has become success to some extent. Most of the black money has been crushed. Amount of cash liquidity increased in the bank day by day. And anybody knows if the bank has more deposits then bank become stronger. The country in which bank is strong then that county is more financially strong. In future banks will able to do more and more loans to the individual and to the industrial sectors sot that production will grow in our country, employment will be generate, and our country can develop at very fast rate. But this is only future perfections; upcoming few months will show the actual economic condition of our country. Although Demonetization has create so many hurdles for the citizens of India. Citizens of India faced so many problems due to the demonetization drive; they faced queue problems in the banks and ATM'S for depositing and withdrawing money. Citizens of India faced problem of less consumption of goods due to the lack of cash liquidity. Several businesses disrupted due the lack of liquidity, business owners as well as consumer faced so many problems. When government took this bold decision about the demonetization in India, government didn't know that Indian citizen will have to face this kind of problem for a long time. But government has given so many remedies to the citizens of India for time to time. On the other hand, Indian financial market, real estate market, FMCG Sector, Auto assets backed loans etc. all are declined for a short time. Some economics expert said that positive

impact of demonetization will showed in future. Government has also increased the withdrawal limits. The queues in front of banks and ATMs have reduced. Somehow black money also comes out. Now we should wait and watch the overall impact of demonetization drive.

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“AN ANALYTICAL STUDY TO UNDERSTAND THE IMPORTANCE OF SOCIAL MEDIA, AS A TOOL OF PROMOTION WITH SPECIFIC REFERENCE TO NAGPUR CITY”

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Abstract

Social media are computer based technologies that assist the formation and sharing of data, information, ideas, and other forms of expression via virtual communities and networks. In this era of internet communication, the geographical distances have been reduced by these networks. The internet has almost reduced the world to an international village.

In the modern world it is very difficult for businesses to find the new customer and retain them. Social media is the interaction of people through these networking sites. It is the best ways to reach customers. Every business today needs to be known through networking sites, because almost everybody is using these social networking sites.

Business with social media introduces the word “Social Media Marketing”. This is one of the easiest and affective way to market our business, services or products through Social media. Every small & big business is benefitted by this social media marketing for e.g. Social media marketing for mobile marketing. Most of the mobile phones are capable of displaying social networks. If a mobile phone is connected to the customer’s social media accounts, promotions are always on display. Social media marketing refers to the route of managing traffic or customer’s engagement through social networking sites. Facebook, LinkedIn, Google +, You Tube, Tumblr, Instagram and Pinterest are some of the most popular social networking sites.

Social media as a promotional tool is multipurpose, influential, quick, and economical. It fosters brand awareness, and can advance customer service. Social media used as a marketing tool provides constructive and precious measureable data on trends, consumer behavior, feedback, public opinion, brand awareness, and buying habits. Its reach is precise and easily intended at targeted viewers. Programmed information services, that are native to social media platforms, optimize the production of goods and the delivery of services.

This research study will help to understand the importance of Social Media, as a tool of Promotion with specific reference to Nagpur City. The research work is done to identify if there is any impact of social media marketing on customers purchase intention. The research methodology is used is descriptive in nature and the sampling techniques used in this study is convenience sampling. The sample size for the study is 400. Primary and secondary data will be used for the analysis.

Key Words: Social Media, Social networking sites, Social media marketing, Promotion.

INTRODUCTION-

India is having more than 460 million Internet connections. Internet penetration is about 26% in India. With the increasing penetration of Internet; social media is also getting the due recognition. 72 % of the internet users are active on social networking sites. Social media are interactive Web 2.0 Internet applications. Social media is the combinations of online interactions meant to communication, content-sharing and networking. Some well-

known examples of social media are Facebook, Twitter, Wikipedia, LinkedIn, Google+ and many more. Social media is used to marketing the products, promotion of the products, better customer service and encourage new opportunities. Social media marketing uses the social networking to increase the reach of the business. It is the two way communication channel.

Promotion is a word, which is very often used in marketing. It is an essential activity that supports the business. Promotion is one of the important “P” among the 4 “Ps” of marketing mix. It is used to communicate the business proposal.

According to Philip Kotler, “Promotion compasses all the tools in the marketing mix whose major role is persuasive communications”

There are five major elements of the promotion, which is called as promotion mix:

1. Advertising
 2. Direct Marketing
 3. Sales Promotion
 4. Personal Selling
 5. Publicity
- Advertising is a paid form of communication. Examples of Advertising media are newspaper, magazines and general. Online and Internet advertiser are also a part of this.
 - Direct Marketing is terms of promotion means there is a direct connection between the customer and the business. E-mail is the form of online marketing.
 - Sales Promotion includes the money off promotion, coupons, free gifts and many more.
 - Personal selling is also a part of promotion mix. It improves the personal customer relationship. For ex: salesmen are hired for this.
 - Publicity is also named as Public relations. It used to be considered as a free way of promotion. But now a day’s organization focuses on pre- planned public relations.

Online promotions include many of the promotion mix elements, mentioned above. For instances, Advertising exists online with pay per click advertising, which is marketed by Google. The importance of promotion via internet / social media marketing is growing. By placing banners on various social media sites, we can do online advertising. The term “social media” defines the wide range of internet – based and mobile services that permit users to contribute user- created content participate in online sharing or join online communities

In an era intelligibility and legitimacy, social media is speedily delivering a new standard of communication. If we update a blog on a regular basis, both Facebook and Twitter can be updated from our blog posts, so it doesn’t require plenty of time. **Don Crowther**, social media guru, says a highly effective social media strategy can take just 20 minutes a day.

Nagpur is one of the major business cities of Maharashtra. Nagpur is the winter capital and the third biggest city of Maharashtra. It is the thirteenth largest urban agglomeration in India and the biggest city in Vidarbha Region. It has one of the highest literacy rate of 91.92% among all the urban agglomerations in the country. Many big and leading companies have opened their business operations in this city. Many businessmen come to this city everyday for this reason. It is having strategic advantage of its centralized location. Being one of the major cities of Maharashtra, Nagpur is well connected by train, air and road with other parts of the Maharashtra state and India.

Mumbai has the highest number of Internet users at about 16.4 million in the country. Delhi is the second with a user base of 12.1 million.

Among the smaller metros with a population of more than 1 million, Surat, Jaipur, Lucknow, Vadodara and Nagpur are the top five cities with highest number of internet users. Around 18 % populations of Nagpur city uses the facebook and almost 2.5% population uses twitter. And the number is increasing day by day.

LITERATURE REVIEW-

People are very much aware about the concept of social media and they also use the same for networking and interactions. But still there is a lot of work need to be done for making people aware about the usefulness of these networking sites to enhance their business growth. Many research scholars have done their work to increase the awareness.

On March 7th 2016, Kit Smith has published some statistics related to social media.

- Total Population of the world is 7.3 billion, as of July 2015.
- Total users of internet – 3.17 billion. Active social media users are 2.3 billion.
- 91% of retail brands use two or more social media channels.
- Internet users have an average of 5.54 social media accounts.
- Social media users have risen by 176 million in the last year.
- 1 million new active mobile social users are added every day. That's 12 each second.
- Facebook Messenger and Whatsapp handle 60 billion messages a day.

These all numbers states the importance of digital media and social networking.

Lisa Buyer (The Buyer Group's President) defines Social media as it is today's most transparent, engaging and interactive form of public relations. It combines the true grit of real time content with the beauty of authentic peer-to-peer communication.

As per Marjorie Clayman – Clayman Advertising, Inc. “Social Media is a new marketing tool that allows you to get to know your customers and prospects in ways that were previously not possible. This information and knowledge must be paid for with output of respect, trustworthiness, and honesty. Social Media is not a fad, but I also think it's just the beginning of the marketing revolution – not the end”.

A Report published in The Telegraph on June 26th, 2017 states the importance of digital networking. As per the report:

Uuni, which sells small wood-fired ovens ideal for quick-to-cook pizzas, is one British company that has grown at a breakneck rate because of its digital strategy.

In November 2012 **Kristian Tapaninaho** used **Kickstarter campaign** to fund development of his prototype and cultivate a community. Kristian created a video and a Kickstarter campaign. He wished to raise £7500 in 30 days. (The rules of Kickstarter are such that if you do not raise full fund, you receive none of the amount.) Amazingly, Uuni took only 2 weeks to raise this fund and by the 30th day, the campaign had raised about twice the target amount. The Kickstarter campaign built an instant global customer base, and Kristian built a great rapport with that community, in a transparent and friendly way though social media.

Darina Garland, Uuni's co-founder and chief marketing officer says “We now have six full-time staff, three online stores and sell products to 50 countries,” she says. “I can't imagine Uuni would have been able to thrive at all in a non-digital world.

So many other companies are also arranging the finance through crowd funding. If your product is promising, social media can not only increase your reach but can help in many other ways.

RATIONAL FOR SELECTING THE TOPIC -

Internet penetration in India is just 26 %. So lot of scope for growth still exists. The rural India is also getting aware about the online communication channels. They also understand the importance of web presence.

According to Hubspot, marketer of software products for inbound marketing and sales, 92% of marketers in 2014 claimed that social media marketing was important for their business, with 80% indicating their efforts increased traffic to their websites. And according to Social Media Examiner, 97% of marketers are currently participating in social media—but 85% of participants aren't sure what social media tools are the best to use.

The study will highlight the importance of use of social media to enhance the business growth. It will prove the relation between the social media marketing and its influence on buying behavior & purchase intention of the customers.

OBJECTIVES-

The objectives of the study are mentioned below.

1. To be aware about the context of social media.
2. To study the use of social media marketing.
3. To find out the significance of social media (as a promotion tool) in business process.

HYPOTHESIS-

1. Ho (Null Hypothesis) - There is no relationship between age and social media uses.
H1 (Alternate Hypothesis) – Relationship exist between the age and social media uses.
2. Ho (Null Hypothesis) - Promotions appear on social media does not influence the purchase intention.
H1 (Alternate Hypothesis) – Promotion on social media triggers the purchase intention.

LIMITATION OF THE STUDY-

This study is basically an analytical study to understand the importance of social media. The geographical scope of the study is confined only to Nagpur. However, wherever context demands the all India information in respective aspects is also presented. There may be slight discrepancies between the data, since the data for this study is obtained from more than one source.

SOCIAL MEDIA FOR BUSINESS PROMOTION -

Social media can be used as a powerful tool for businesses of all magnitude to reach prospective customers. Now a day customers are already interacting with organizations and their brands through social networking, and if business are not speaking directly to their audience through social platforms like Facebook, Twitter, Instagram, and Pinterest, they're missing out! Great marketing and promotion activities on social media can bring outstanding success to our business, and even driving leads and sales.

Social media marketing is a form of internet or online marketing that constitutes of creating and sharing content on social media networks in order to accomplish marketing and branding goals of the organizations. Social media marketing includes tricks like posting text and image updates, videos, and other relative information that drives audience attention and engagement, as well as paid social media promotion.

Social media marketing help the business in many ways-

- The proper use of social media can Increase the website traffic
- It helps in building conversions and continuous communications with key audiences.
- It can help in increasing brand awareness.
- It can help in creating a brand identity and positive brand association

The more engaged the audience is on social media networks, the easier it will be for organizations to achieve their marketing goal. Social media marketing is the exercise of social media platforms and websites to endorse a product. But we need to know that Social media is made for people. So organizations should always be determined to create a human connection with social media users.

RESEARCH METHODOLOGY –

Both Qualitative and Quantitative research method is used. Data collection is done by both primary & secondary sources. Questionnaire is used as a tool for data collection.

Non probability sampling technique is used to conduct the research work.

DATA COLLECTION, PRESENTATION AND ANALYSIS –

Collected data is presented in Table no 1.

Hypothesis 1- To test the hypothesis number 1, sample has been taken of 400 people in which 50 % consists of age group 20 - 40 and another 50 % consists of age group 41-60.

Age group 1 - 20-40

Age group 2 - 41-60

The sampling method used is non probability convenience sampling. 400 people were interviewed for their use of social media.

Among the age group of 20-40, 107 people out of 200 are having presence at least on one social media network, whereas only 34 people having social media presence among the age group of 41-60.

The data is represented in percentage form in the below mentioned chart.

From the data analysis, it is clearly visible that social media presence accounts for 53.5 percentage for age group 1, and is comparatively more than age group 2, which is 17 percentage.

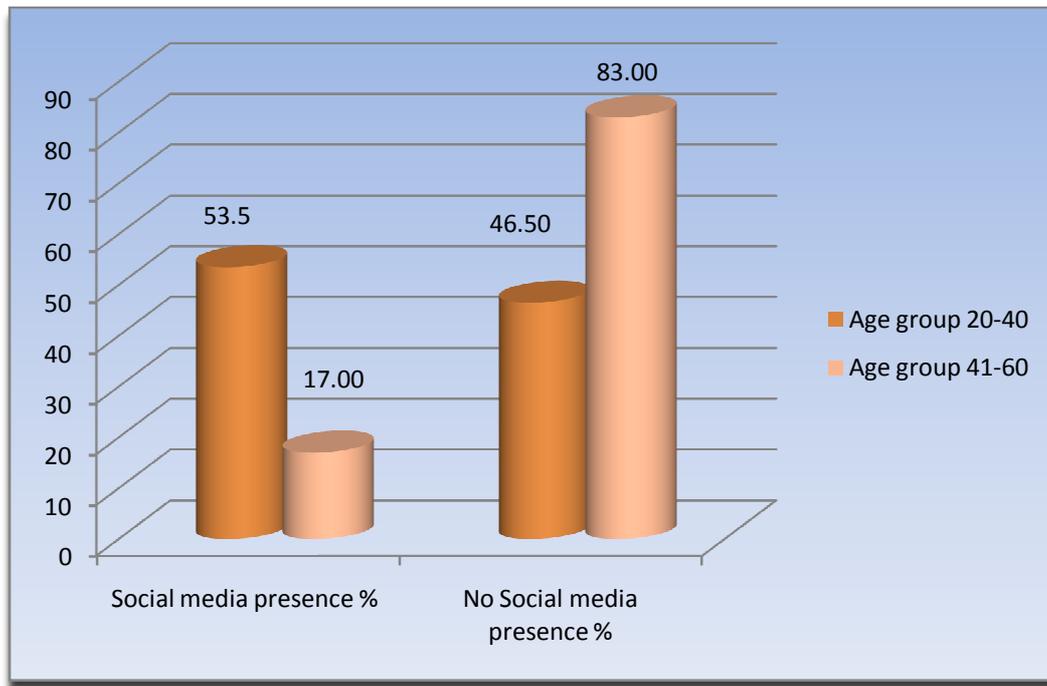


Chart No: 1- Social media presence

Hence the alternate hypothesis is accepted, which concludes that relationship exist between the age and social media uses. People of young age are more active on social media comparative to more age group people.

Hypothesis 2-

Social media are primarily Internet-based tools for sharing and discussing information. Most of the people use the social media as a medium of communication. But when people see some interesting advertisement in the social media sites, they do visit the sites and it triggers their purchase intention.

To test the hypothesis 2, we took 141 respondents combining both age group 1 and 2, who are having social media presence. Out of 141 respondents, 122 respondents (86.5 %) have admitted that they see and explore the promotions, which pop up in social networking sites. Only 9.13 % confirms that they are not very keen to see the promotions in these sites but they sometimes visit the promotion, if it is too appealing.

86.5 % of the people responded that they often come to the sites to see if any special offers are there. Once they get familiar with any brand through these networking sites, they visit the original website of the brand regularly. The first preferred segment of purchase in clothing (57%), followed by home appliances (26 %) and remaining (17) % is shared between books, gift items, grocery etc. Data is given in Table 2.

The below table indicates purchase intention (not actual purchase) of the people, when they see the promotion on these networking sites.

Purchase Intention				
Total Respondents	Never	Sometime s	Often (at least once in two visit)	Regularly
141	19	32	56	34

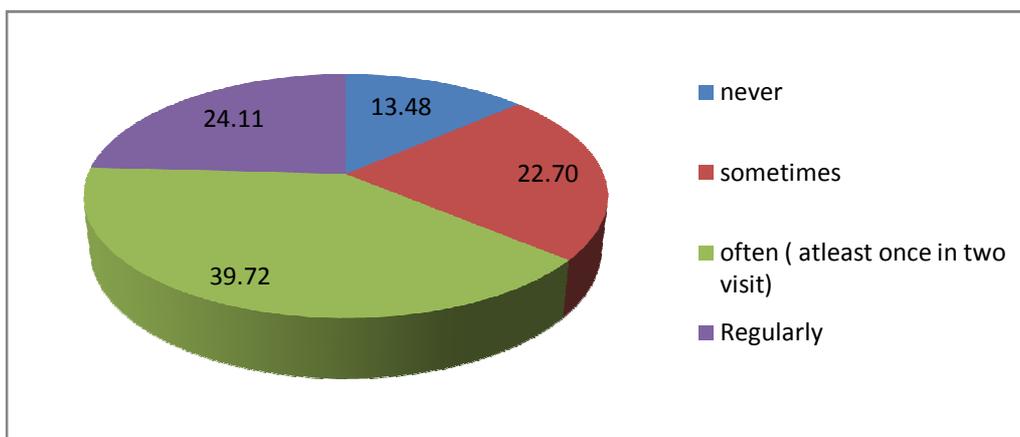


Chart No: 2- Purchase Intention in percentage

We can see from the above chart that among the 86.5 % of the people around 63.83 % are those people who are keen to purchase, if any attractive offer catches their eye. This is the segment where the business has to focus.

From the above data analysis alternate hypothesis is accepted which was Promotion on social media triggers the purchase intention.

CONCLUSION AND RECOMMENDATIONS –

The popularity of social media is growing but despite of its growth, still social media for business is not much used by a lot of organizations. There's doubt around its effectiveness for small or medium organization because we see huge brands like PepsiCo, Nike and Hindustan lever get all the success. However, social media can benefit organizations of any dimension. Many small- and medium-sized firms see growth in brand awareness, site traffic, shares and customer engagement by promoting their brand in social networking sites.

Nagpur is having a plenty amount of small and medium industries. It is also having a huge scope of growth in different sectors. The social networking sites are very much popular and used by the young population of the city.

During the study researcher have interviewed so many small food vendors and garment sellers and few of them are taking advantage of social media platform to promote their business and they are really happy to see the result. So it is recommended to promote the business through these sites. It is not only result oriented but also financially viable and less time consuming.

FUTURE SCOPE-

This study is done in a very small location and sample. Only one aspect of social networking is covered that is Social networking as a promotion tool in perspective of the consumer. There is a lot of scope of research if we see social media in perspective of a business and its influence on sales and profit.

Tables

No of Respondent			400
Age group	Social media presence	No Social media presence	Total
20-40	107	93	200
41-60	34	166	200
Percentage of Respondent			
Age group	Social media presence	No Social media presence	Total
20-40	53.50%	46.50%	100%
41-60	17.00%	83.00%	100%

Table: 1 (Social Media Presence of Respondents)

Preferred Purchase Segment on Social Media						Total no of Respondents
Age Group	Clothing	Home Appliances	Grocery	Books	Gift items	
20-40	70	21	6	7	3	107
41-60	10	16	6	2	0	34

Table: 2 (Preferred Purchase Segment on Social Media)

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IMPACT OF DEMONETISATION ON DIGITAL PAYMENT SYSTEM

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Abstract

Demonetisation announced on November 8, 2016 was aimed at addressing corruption, black money, counterfeit currency and terror financing. This research article addressing the impact of demonetisation on digital payment system of India. How this significant move catalyst for payment system of India how this will change the payment system of India positively or negatively. This paper will analysis digital payment option in India during period of demonetisation from 8 Nov 2016 to 31st March 2017. research article will check whether people used more digital payment option or used hard cash during the period. How government propagate this idea of cashless economy or digital cash option during the demonetisation period. What is the impact of govt. efforts to promote cashless economy how its fruitful during demonetisation? such kind of questions will address in this research article.

Introduction

On November 8, 2016, it was decided to demonetise high value currency notes of denomination of ₹ 1000 and ₹ 500 (called specified bank notes - SBNs). Such notes, valued at ₹ 15.4 trillion, constituted 86.9 per cent of the value of total currency in circulation. The decision was in continuation of a series of measures taken by the Government of India during last two years aimed at eliminating corruption, black money, counterfeit currency and terror funding. The decision was guided by the aim of reaping its enormous potential medium-term benefits in the form of reduced corruption, greater digitisation of the economy, increased flow of financial savings and greater formalisation of the economy. All of these would lead to higher GDP growth and tax revenues that could be used by the Government for inclusive and stronger economic growth within the norms of fiscal prudence, besides contributing to overall improvement in business environment.

India has traditionally been a cash intensive economy. According to an estimate, about 78 per cent of all consumer payments in India are effected in cash. It was, therefore, obvious that currency squeeze during the demonetisation period would have had some adverse impact on economic activity, although such impact was expected to be transient. (RBI)

The digital payment system scenery in India is undergoing a huge revolution. Indian people have shown remarkable attraction to digital technologies, with growth rates for mobile phones and e-commerce adoption far outperforming rates in developed economies. The Government of India's 'Digital India' initiative aimed at transforming India into a digitally empowered society and knowledge economy is expected to further hasten awareness, availability and adoption of digital technologies.

An outcome of demonetisation was that the digital payments system chosen up sharply. After demonetisation, there has been a significant emphasis on digital modes of payment. The Government of India and the Reserve Bank have initiated a series of measures, some of which are temporary, to promote movement from cash to non-cash modes of transactions. They include, inter alia, (i) reduction in the merchant discount rate (MDR) and

point of sale (POS) fees; (ii) monetary incentives in the form of discounts and prizes; (iii) service tax relief on MDR for small transactions; (iv) waiver of charges for small value transactions under Immediate Payment Service (IMPS), Unified Payment Interface (UPI) and Unstructured Supplementary Service Data (USSD) based *99# platform; (v) broadening Prepaid Payment Instrument (PPI) reach by enhancement of limits; (vi) introduction of a new category of PPIs; (vii) permitting banks to issue PPIs to a larger set of entities; and (viii) permitting National Payments Corporation of India (NPCI) to launch (a) the common app for UPI; and (b) National Electronic Toll Collection (NETC) system.

STATEMENT OF THE PROBLEMS: -

Government of India announced demonetisation on dated 9th Nov 2016 and cancelled 500 & 1000 rupees' denomination currency from the system this was very bold decision taken by the government. After that there was chaos in the country everybody running to bank and exchange his old currency with new 500 & 2000 denomination notes this process was so hectic but people have no option. In demonetisation period govt. try to promote digital currency through digital payment system like payment apps, internet banking, BHIM app, Unified payment system, Aadhar enable payment system, cheques etc. through this tools government try promote digital currency. Government also launch digital payment scheme for consumer and merchant to promote cashless economy.

SIGNIFICANCE OF STUDY: -

This research paper wants to know what is the impact of this all efforts which taken by govt. during the demonetisation period whether govt. got success or not in his cashless vision. And also know what is the future of digital payment system in India.

OBJECTIVE OF THE STUDY: -

1. To study the impact of demonetisation on payment system.
2. To study the Perception of Indian Consumers towards Digital payment system.

RESEARCH METHODOLOGY

1. **Desk Research:** a detailed review of relevant literature for the research paper was conducted at this stage.
2. **Collection and analysis of information:** - all data and information gathered through secondary data was collected and analysed for the purpose of developing the research paper.

The digital payment ecosystem in India: -

Digital payments comprise payment transactions carried out using a variety electronic modes such as cards, mobile or internet based set ups, to send and receive money. The ecosystem consists of buyer (customer), seller (merchant, service provider) and Payment Service Provider (PSP) that enables transfer of money from buyer to seller for the product/ service availed.

The PSPs in India consist of both bank and non-bank players. As of July 2016, PSP segment had 44 authorised Pre-Paid Payment Instruments (PPIs) including mobile wallets, prepaid cards providers and eight authorised payments banks, eight authorised cross-border money transfer operators and eight authorised white-label Automatic Teller Machines (ATM) operators. These PSPs offer a variety of digital payment modes – from traditional ones such as National Electronic Funds Transfer (NEFT), National Electronic Clearing Services (NECS)/ Automated Clearing House (ACH), bank cards (credit, debit, pre-paid), internet banking, mobile banking to newer ones such as wallets (PPIs), Aadhaar Enabled Payment

System (AEPS), Immediate Payment Service (IMPS), UPI, Bharat Bill Payment System (BBPS), and now Aadhar Enable payment system and India QR code. (KPMG Report April 2017)

Impact of Demonetisation on Digital Payment System: -

Impact of demonetisation on payment system of India is very positive and encouraging to fulfilled vision of digital economy. Recent statistics of Reserve bank of India on digital payment system was positive, there is high jump in digital payment during the demonetisation period. After the announcement of demonetisation, digital activity levels were low in the initial weeks as people were busy depositing/exchanging SBNs. However, in December 2016, digital payment activity increased alongside progressive remonetisation. The usage statistics show that--- the y-o-y growth for major modes of electronic payments was good in October 2016, mainly on account of festive season. The continuance of that high growth with a further pick up in some components from November to January 2017 (Table 22) was a positive fallout of demonetisation. However, the pace of growth moderated somewhat in February 2017. A description of select categories of electronic payments system is presented in table: -

Growth in Select Electronic Modes of Payments						
(y-o-y growth in per cent)						
Category		Oct-2016	Nov-2016	Dec-2016	Jan-2017	Feb-2017
NEFT	Value	37.6	38.3	40.8	60.2	49.5
CTS	Value	2.9	8.6	13.0	19.3	0.8
IMPS	Value	150.7	135.9	186.6	196.7	184.2
NACH	Value	89.8	76.3	116.7	22.8	54.2
Source: RBI						

Of the various digital payment services that grew sharply post demonetisation, some require particular mention. First, a sharp pickup is seen in UPI transactions, a flagship product of the NPCI, though on a low base. The value of transactions increased 20 fold from ₹ 0.9 billion in November to about ₹ 19 billion in February. The average ticket size of transactions using UPI also increased from ₹ 3,150 to about ₹ 4,600 within the short window of three months, indicating some increase in confidence among the users. The UPI platform is operated through an app for money transfer between bank accounts using a smart phone in both on-line and off-line (at brick and mortar shops) modes. UPI provides ease to person-to-person as well as person-to-merchant transactions. Until recently, the front-end mobile app was provided by a few banks. However, with the introduction of Bharat Interface for Money (BHIM), there is now a front-end app, developed by NPCI, which will serve as a common app for any bank. Linked to a bank account at the back-end, BHIM allows sending and receiving money to/from other UPI accounts or addresses, and also allows remittances to

Recent Growth in Digital Modes of Payments		
Category	(Value in ₹ billion)	Change (%)

users who do not have a UPI-based bank account.

Category	Nov-16	Dec-16	Jan-17	Feb-17	Feb-17 over Nov- 16	Feb-16 over Nov- 15
NEFT	8808	11538	11355	10878	23.5	14.3
CTS	5419	6812	6618	5994	10.6	19.2
IMPS	325	432	491	482	48.5	23.2
UPI	0.9	7	16.6	19	2001.2	-
USSD	0.007	0.104	0.382	0.357	4789.4	-
Debit and Credit Cards at POS &	352	522	481	391	11.1	-5.6
PPI #	13	21	21	19	41.9	15.2

Second, an impressive pick-up in growth for two straight months in December and January – in both value and volume terms, as also in the average ticket size – was observed in the NPCI’s *99# service, which works on an USSD channel. While the volumes moderated slightly in February, the average ticket size continued to grow. This service caters to real time remittances for low value transactions, particularly of the under-banked sections of society, and facilitates their integration with mainstream banking services. The USSD service brings together diverse ecosystem partners such as banks and telecom service providers and allows customers to access financial services by dialling *99# from their mobile registered with the bank. The service works across all GSM service providers and all types of handsets – smart phones and feature phones.

Third, the spurt in digital payment activity in PPIs has also been noteworthy, with the value of transactions increasing from ₹ 13 billion to ₹ 19 billion, an increase of 42 per cent in three months. However, as remonetisation progressed, there was some decline in m-o-m growth in PPI transactions in January and February 2017 compared with December 2016. PPIs facilitate purchase of goods and services, including funds transfer, against the value stored on such instruments. Money can be loaded on PPIs by cash, or by debit to a bank account, or by credit card. PPIs are issued as smart cards, magnetic stripe cards, internet accounts, internet wallets, mobile accounts, mobile wallets, and paper vouchers. The post-demonetisation spurt in activity among the major payment wallet companies such as Paytm, Free charge, Mobikwik, SBI’s Buddy, and HDFC’s Chillr has been phenomenal. Both app downloads and merchant acquisitions have happened at a fast pace.

Fourth, debit and credit card payments at PoS, the familiar and time tested mode of digital payments, also recorded a sharp pick-up in December but the growth moderated in January and further in February with progressive remonetisation.

The catalytic push from demonetisation hastened migration towards digital payments in November and December 2016. However, ease in availability of cash by progressive remonetisation impacted the pace of growth of digitalisation in February 2017. Further efforts are essential to enhance the use of digital payment going forward such as: (i) continued efforts to incentivise digitalisation; (ii) removing roadblocks in penetration of payment technology; (iii) handholding of new users to bring in behavioural shift; and (iv) providing an environment for development of a robust and easily scalable payment ecosystem that benefits from the advancements in technology. This will facilitate adoption of digital payments on a sustained basis and help in substantial savings for the country in terms of reduction in cost of

cash in the system¹⁸; and an increase in accountability and tractability of transactions, thereby circumscribing tax avoidance.

While it is important that efforts be made for increasing acceptance of digital payments, it is equally vital to ensure that the digital payments are safe and secure. It has been the constant endeavour of the Reserve Bank to enhance security features of currency notes to maintain confidence in India's paper currency. Similarly, there is a need to constantly review and ramp up security features of digital payments to maintain and enhance trust of its users, especially, given the low levels of literacy in India.

Conclusion :-

There has been a significant improvement in the use of digital modes of payments post demonetisation, although their base is still small because rural population still not aware about digital payment system. We need to make them aware and train so they can use digital payment system through this we can make our country digital economy. Main moto of demonetisation was eradication of corruption from the country and digital payment system can be weapon for govt. to tackle corruption and other problem of our country. Still our country need more awareness about digital payment system advantages to people and country.

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PLASTIC WASTE MANAGEMENT SYSTEM AND ITS BENEFIT TO THE SOCIETY AND LOCAL CORPORATION

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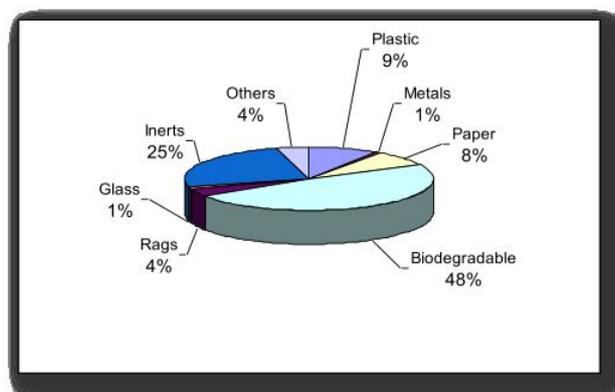
INTRODUCTION

Use of plastics in the form of packaging materials, wrappers, carry-bags and other commodity items has become integral part of daily life. While plastics items waste having relatively low volume and reasonable weight and bottles are readily picked-up by rag pickers and kabariwala system, the low weight – high volume items become the part of municipal solid waste and get transported up to dumping yard. The thin, low density (High Volume-Low Weight) plastics become not only eye soar but also cause great nuisance to public at large. It flies all over and creates pollution.

The quantum of solid waste is ever increasing due to increase in population, developmental activities, changes in life style, and socio-economic conditions, Plastics waste is a significant portion of the total municipal solid waste (MSW). It is estimated that approximately 10 thousand tons per day (TPD) of plastics waste is generated i.e. 9% of 1.20 lacs TPD of MSW in the country. The plastics waste constitutes two major category of plastics; (i) Thermoplastics and (ii) Thermoset plastics. Thermoplastics, constitutes 80% and thermoset constitutes approximately 20% of total post-consumer plastics waste generated in India. The Thermoplastics are recyclable plastics which include; Polyethylene Terephthalate (PET), Low Density Poly Ethylene (LDPE), Poly Vinyl Chloride (PVC), High Density Poly Ethylene (HDPE), Polypropylene(PP), Polystyrene (PS) etc. However, thermoset plastics contains alkyd, epoxy, ester, melamine formaldehyde, phenolic formaldehyde, silicon, urea formaldehyde, polyurethane, metalised and multilayer plastics etc. The environmental hazards due to mismanagement of plastics waste include the following aspects:

- Littered plastics spoils beauty of the city and choke drains and make important public places filthy;
- Garbage containing plastics, when burnt may cause air pollution by emitting polluting gases;
- Garbage mixed with plastics interferes in waste processing facilities and may also cause problems in landfill operations;

COMPOSITION OF MUNICIPAL SOLID WASTE



PLASTIC WASTE RAISES THE FOLLOWING ENVIRONMENTAL ISSUES:

- Indiscriminate dumping of plastic waste on land makes the land infertile due to its barrier properties.
- Burning of plastics generates toxic emissions such as Carbon Monoxide, Chlorine, Hydrochloric Acid, Dioxin, Furans, Amines, Nitrides, Styrene, Benzene, 1, 3-butadiene, CCl₄, and Acetaldehyde.
- Lead and Cadmium pigments, commonly used in LDPE, HDPE and PP as additives are toxic and are known to leach out.
- Non-recyclable plastic wastes such as multilayer, metalised pouches and other thermoset plastic poses disposal problems.
- Sub-standard plastic carry bags, packaging films pose problem in collection and recycling.
- Littered plastics give unaesthetic look in the city, choke the drain and may cause flood during monsoon.
- Garbage mixed with plastics interferes in waste processing facilities and also cause problems in landfill operations.

3 R PRINCIPLE OF WASTE MANAGEMENT :

Reduce → Recycle → Reuse

3-R Principle is well accepted and recommended principle of waste management.

The present technology is also based on 3-R principle. The volume of the waste is reduced by 85 to 90% which makes the waste recyclable for reuse.

PROCESSING METHODOLOGY :

Following steps are involved.

1. The plastic waste is collected in bags or hopper from waste dumping yard.
2. About 1 m³ (Weighing 40 to 50 kg) of plastic waste is put into the holding chamber of compaction / bale machine in two steps.
3. The heating system is put on up to 5 minutes as required.
4. The heating system is put off when plastics gets heated up to its softening point (50 to 60⁰C)
5. The hydraulic system is put on and compaction of heated plastics takes place.
6. The volume gets reduced by 85 to 90% say from 1m³ to 0.15m³.
7. The hydraulic cylinder is kept in place (compaction condition) and side doors opened.
8. The wire is inserted to tie the compacted bundle mechanically too.
9. The hydraulic cylinder is released and taken to initial position.
10. The bale is taken out for storage. The plastics gets densified from 40 kg/m³ to 265 kg/m³

PLANT AND MACHINERY

Hydraulically Operated Plunger type of Compaction Machine.

Machine Size : 2 m x 2 m x 2.5 m



CAPACITY OF MACHINE :

S.N.	Particular	Capacity
1.	Bulk density of loose plastics about	45kg/m ³
2.	No. of trucks arrival with waste	40
3.	Capacity of each truck	200 cubic feet
4.	Total volumetric quantity of waste received	40 x 5.4 = 216 m ³
5.	Total volumetric quantity of plastics waste received @20%volume	43.2m ³
6.	Hold-up capacity of compaction machine	0.65m ³
7.	Processing capacity of one cycle	1m ³
8.	Cycle time of machine	10 mins.
9.	No. of cycles	6 per hrs.
10.	Volumetric quantity of waste compacted	6 m ³ per hour
11.	Time required to handle total plastics with one machine	7 hrs.



ADVANTAGES

1. The process is only for physical change of plastics from loose flying material to compact densified bale, hence environmental friendly.
2. The nuisances of flying plastics is over come.
3. Thermal and mechanical locking ensures compactness of bale during further transport.
4. Further transportation cost is reduced to large extent.
5. Value added dense plastic bale is produced from harmful nuisance causing municipal plastic waste.

LIMITATIONS

1. Glass, Ceramics, metal pieces should be avoided to put in the system.
2. Bio-medical / hazardous waste like insecticides should not be put in plastic waste reduction unit.
3. Hydraulically operated system works at high pressure due safety precaution be taken.

CUSTOMER SATISFACTION: AN EMPIRICAL STUDY

Special reference to Kataria Automobiles, Vapi, Gujarat

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ABSTRACT:

The world of Marketing has various facets which involves Customers as the essential stakeholders. Gauging their satisfaction is very imperative. Customer Satisfaction may get defined as a qualitative measure where in a customer experiences various degrees of satisfaction until the performance of the product matches his expectations. The quality of products & its availability has a strong influence on the satisfaction of the customers. When the performance of the product falls short of the expectations the customer is dissatisfied, however if the performance of the product matches the expectations the customer is satisfied. In today's world of marketing, the organisations are looking forward to customer delight. Hence when the performance of the product exceeds the expectations of the customer the delight factor is experienced. Customer Satisfaction can be achieved through a combined effort of Organisations pertaining to quality, value and service. The study is based on customer satisfaction pertaining four wheelers with special reference to customers of Kataria (Dealer of Maruti Suzuki) in Vapi, Gujarat. The study is intended to gather the factors that lead to satisfaction of the customer. The research is conducted by adopting exploratory & descriptive research design & attempted with the help of primary and secondary data. Customer satisfaction is both a goal as well as a major factor in the company's success. Customer satisfaction may get shattered by the approach of automobile industry due to the expectation gap in their psychological value. On the whole, customer loyalty could be vitally affected by customer satisfaction.

Key Words: Customer, Customer satisfaction, Automobile Industry

INTRODUCTION:

Customer Satisfaction is marketing term that measures how product or service supplied by a company meet or surpass a customer's expectation. Customer satisfaction important because it provides marketers and business owners with a metric that they can use to manage and improve their business. In today's world of marketing, for a customer-centred company customer satisfaction is both a goal as well as a major factor in the company's success. Companies that achieve high customer satisfaction ratings must make sure that their target customers come to know of it. The companies must realize that highly satisfied customers produce several benefits to the company. Satisfaction may also be associated with feelings of pleasure or services that make the consumer feel good or associated with a sense of happiness. For those services that really surprise the consumer in a positive way, satisfaction may mean delight. And in some situations, where the removal of a negative leads to satisfaction, the consumer may associate a sense of relief with satisfaction.

The current study was conducted in the Automobile Industry. The automotive industry is a wide range of companies and organizations involved in the design, development, manufacturing, marketing, and selling of motor vehicles. The automobile industry accounts for 7.1 per cent of Indian gross domestic product (GDP). India is also a prominent auto exporter and has strong export growth expectations for the near future. The project was based on the theme of Customer Satisfaction pertaining Four wheeler with reference to Kataria Automobile (Dealer of Maruti Suzuki), Vapi. Kataria Group was established by Mr.

Shobhagmal Kataria in the year 1956. Kataria Group was further expanded its wings to become one of the Most Trusted Brand for Maruti Car Dealership in 1996. Today Kataria Automobiles is one of the "most trusted brands" in the "Automobile Dealership of Maruti Suzuki "with Showrooms in Ahmadabad, Surat, Navsari and Vapi. As part of the survey amidst the selected customer of Kataria Automobile as respondents, the author has gathered inferences on quality and technology perspective, Price of the vehicle & Spare parts, service network of Kataria, satisfaction level etc. In today's world of marketing, the organisations are looking forward to customer delight. Hence when the performance of the product exceeds the expectations of the customer the delight factor is experienced. This study generates inferences towards the customer satisfaction experienced by Kataria Automobile Pvt.Ltd. And also the paper leads to understanding on the concept of Customer satisfaction.

OBJECTIVES OF THE STUDY:

The study has been conducted in the Vapi region with the following objectives:

1. To understand the concept of Customer satisfaction
2. To analyze the customer satisfaction with special reference to customers of Kataria automobile, Vapi.

RESEARCH METHODOLOGY:

The study was conducted on the vapi region and population was Customers of Kataria Automobile, Vapi with the sample size of 100 respondents. Random sampling was used as sample technique for the research. Primary data and Secondary data used for the data collection. The research tool for the study was a Structured Questionnaire with 20 questions those questions are seeking Customer satisfaction. The study leads to gathering responses from selected existing customers of the agency / showroom. Such studies are beneficial to the Organisation in terms of strategizing further towards meeting customer satisfaction. The study reflects the responses of customers of only one agency which turns out to be limitation for the study as the results will be indicative in nature for the other agencies rather exhaustive for the Industry.

LITERATURE REVIEW

Customer Satisfaction is one among the leading attributes studied at the organizations. There have been several studies done in this regards and authors have contributed their thought in the books, journal, e-resources etc. The Author has referred few selected sources and conducted a literature review with respect to the project on Customer satisfaction. The review has been made on books and articles, as follows:

Nataraj S and Dr. N. Nagaraja has written the research paper customer satisfaction in automobile industry – an Indian online buyers' perspective of car manufacturers: The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviours such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. Customer satisfaction, a term frequently used in marketing,(American Marketing Association) is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals.

Mahapatra, kumar and Chauhan (2010) mentioned a study on "**customer satisfaction, dissatisfaction and post purchase evaluation: an empirical study on small size passenger cars in India**" with the main objectives to examine the satisfaction and impact on future purchase decision and explore the performance of different attributes in automobile in giving satisfaction to customer with the sample size of 150 customers and they used the multiple regression techniques and they revealed from this study that customers are highly satisfied with the performance of attributes like pickup, wipers, etc. and other attributes like pollution, engine, quietness, battery performance, and pick up influence the consumer future purchase decisions and consumer give the more importance to these factors. Kurkoti and Prabhu (2011) revealed a study on "Study on Satisfaction with reference to Tata nano car customers in Pune city" with the objectives to determine the customer satisfaction towards Tata Nano, to study the gap analysis and to find out the impact of fire incidences on Nano car users. For this study they taken the sample size of 125 customers and techniques used by them were paired sample, ANOVAs, and Turkey test. They concluded from this study that Nano car customers are not satisfied with the performance and waiting period of car but they satisfied with the safety of car and fire incidences report that has impact on the customer satisfaction.

Sharma, Kiran Sharma and Khan (2011) conducted "**A study and analysis of customer satisfaction of Tata motors in Jaipur, Rajasthan with the objectives to find out the satisfaction among the customers**, market performance and market position of Tata motors. They taken the sample size of 100 customers in Jaipur city and concluded from this study that 73% people feel that safety are affordable whereas 12% do not agree, 74% believe that attractive discount are offered but 26% are not satisfied with the discount offered, but the overall opinion about Tata Motors is very good.

Kiran Singh (2011) revealed a study on "**An empirical review of the product and customer satisfaction of Tata commercial vehicles**" to find out the quality of service, performance of Tata motors and to know the consumer perception towards Tata motors with the sample size of 100 customers and used the statistical techniques tables, bar charts etc. This study concluded that consumer prefer the Tata commercial vehicles due to its better quality, brand image, easy availability of service stations, spare part quality etc. Ganesh and Soundarapandiyan (2011) conducted a study on "i10 Hyundai Chennai: customer satisfaction level" with the sample size of 150 customers and tools used percentage analysis, chi square and multiple regression analysis. The objectives of the study was to identify the post purchase behaviour and customer satisfaction level and find the effectiveness of after sales service of customer of Hyundai i10. They revealed from the study that customers are satisfied with the car after purchase because its gives the feel of luxury to customers and a convenience of smaller car in crowded area. It's most stylish as compared to others.

Lohana and sharma (2012) conducted a study on "**customer satisfaction towards Hyundai cars in Nanded city**" with the objectives is to identify the customer preferences and parameter about the Hyundai cars. They have taken the sample of 60. They concluded from the study that 50% customers are satisfied with the overall performance of their vehicle. The customers are satisfied with the fuel efficiency, brand image, after sales service and economy in purchase etc.

Rao and Kumar (2012) revealed study on "**Customer satisfaction towards Maruti Suzuki - A study on four wheelers in Warangal district of Andhra Pradesh**" with the objectives to study the customer satisfaction with the usage of vehicles, after sale service, key area of strength, pricing affects, service and quality. They taken the sample of 100 respondents and used the percentage technique. They concluded from the study that majority

of customers are satisfied with the safety, dealer service, customer relationship and availability and cost of spares etc.

Vavra, T.G. (1997) in his Book Improving your measurement of customer satisfaction suggests specific programmes to improve the measurement of customer satisfaction in an organization. The author describes five critical skills required for this task viz. sampling /customer-participant selection, questionnaire design, interviewing /survey administration, data analysis, and quality function deployment-building action plans

Craig Cochran is the author of a Book titled, “Customer Satisfaction: Tools, Techniques, and Formulas for Success”. Craig begins by explaining how different customers can use the same product and yet have radically different views of its quality.

He presents five tools to help your organization monitor and analyze customer satisfaction:

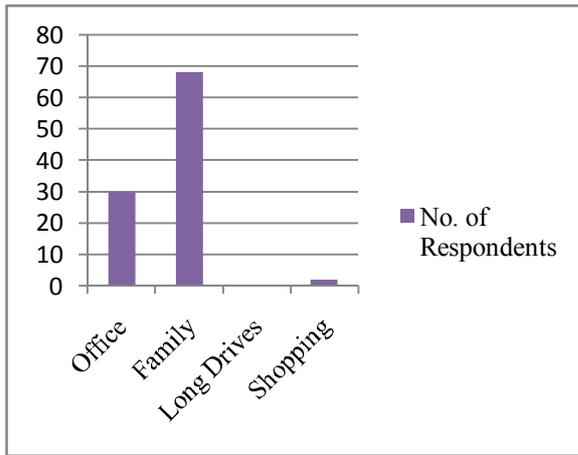
1. Call Reports – use of existing communication systems to probe customer perceptions
2. Field Reports – visits to customer sites to gather more in-depth information
3. Comment Cards – simple tool to capture user information on products and services
4. Complaint Systems – use of customer complaints for positive organizational responses
5. Customer Surveys – quantitative customer views of your organizational performance

Analysis of the study on Customer satisfaction

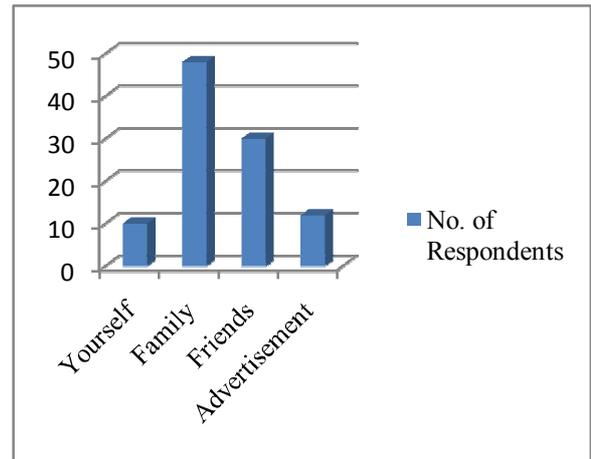
Preferred Model of Maruti by Respondents

Sr. No	Models	No of respondent	Percentage
1	Maruti 800	12	12
2	Omni	3	3
3	Wagon R	10	10
4	Alto	15	15
5	Zen estilo	5	5
6	Swift	30	30
7	Swift Desire	19	19
8	SX-4	0	0
9	Ertiga	3	3
10	Baleno	3	3
	Total	100	100%

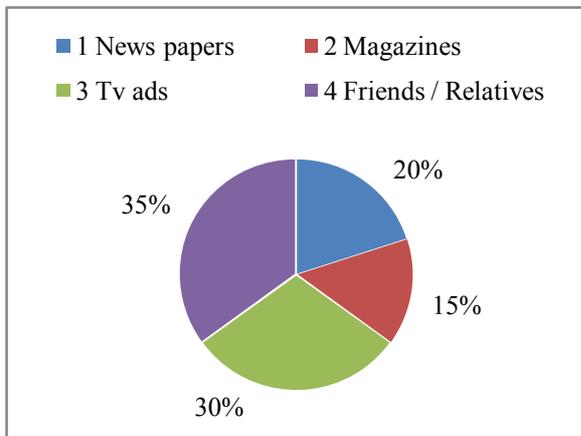
Main usage of vehicle (Graph.1)



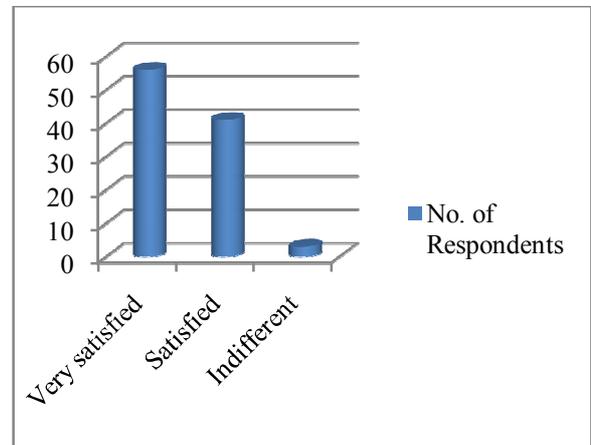
Influence to buy Fourwheeler (Graph.4)



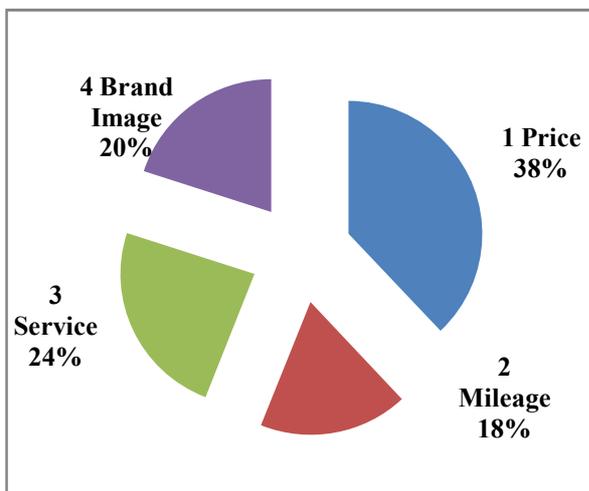
Mode of Awareness (Graph.2)



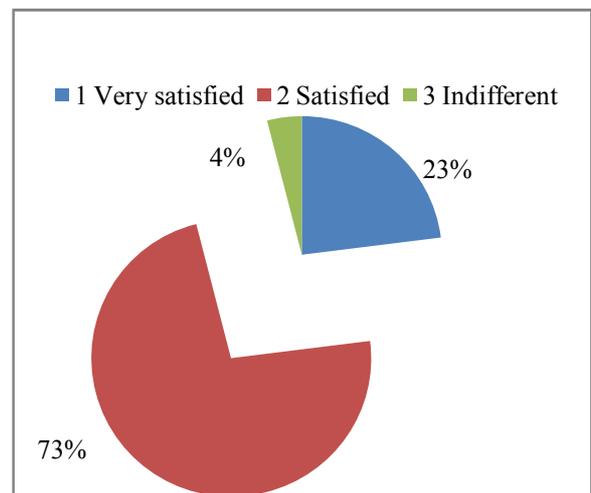
Quality and Technology (Graph.5)



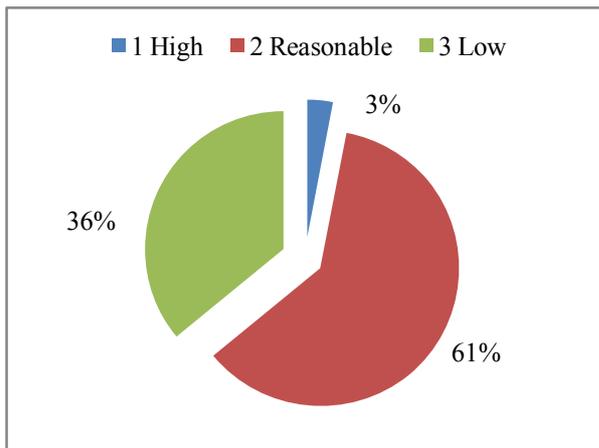
Attracted Feature (Graph.3)



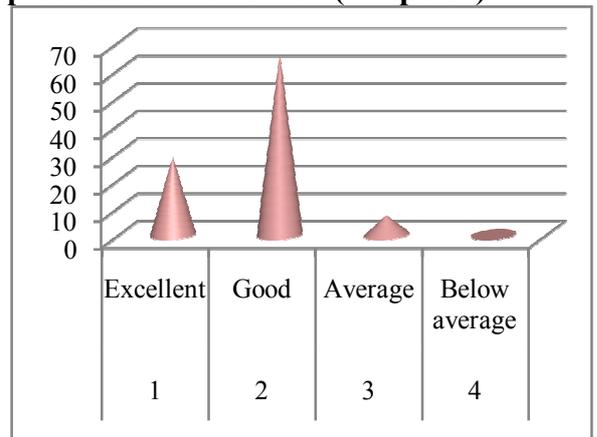
Luxury and Spacious(Graph.6)



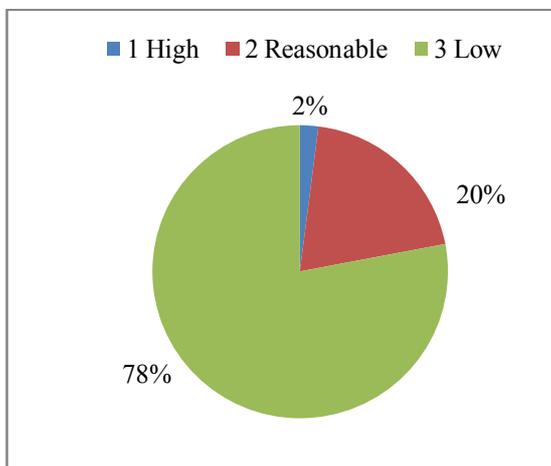
Price of the Maruti(Graph.7)



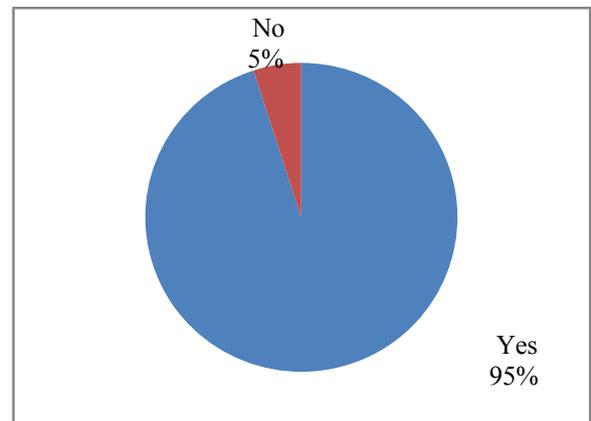
Respondents overall view over performance of Maruti (Graph.10)



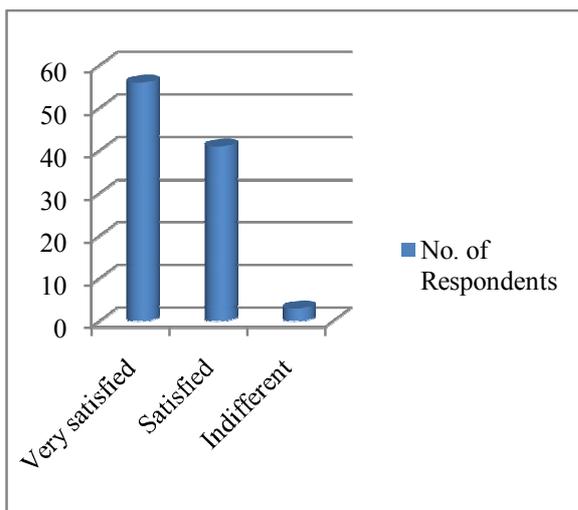
Price of Spare Parts(Graph.8)



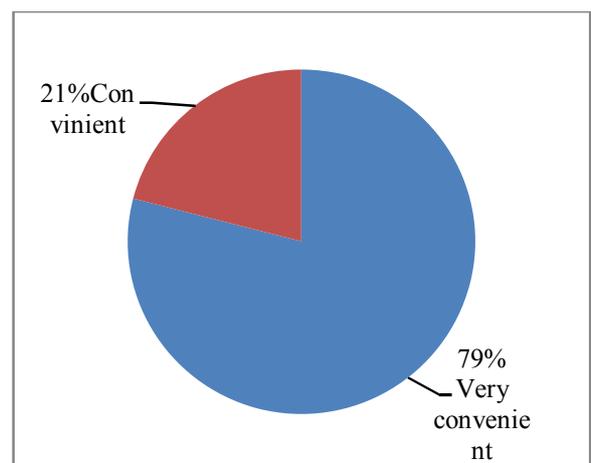
Awareness about free service offered (Graph.11)



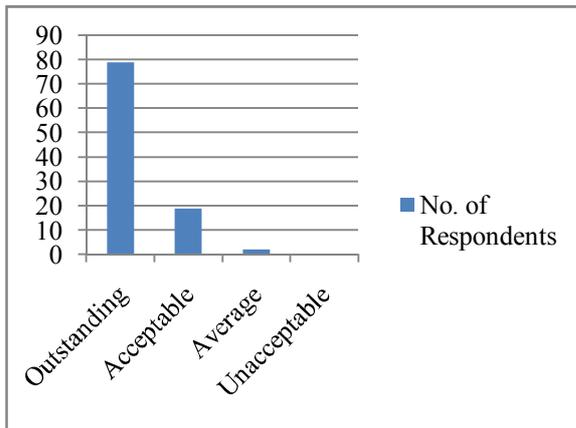
Mileage of Maruti vehicle(Graph.9)



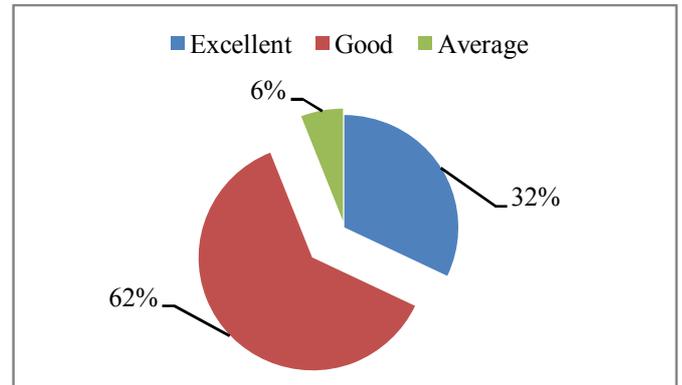
Convenient on service network (Graph.12)



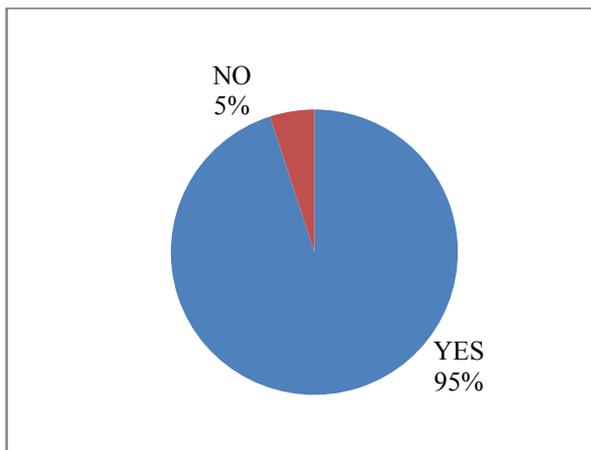
Feedback on Kataria(Graph.13)



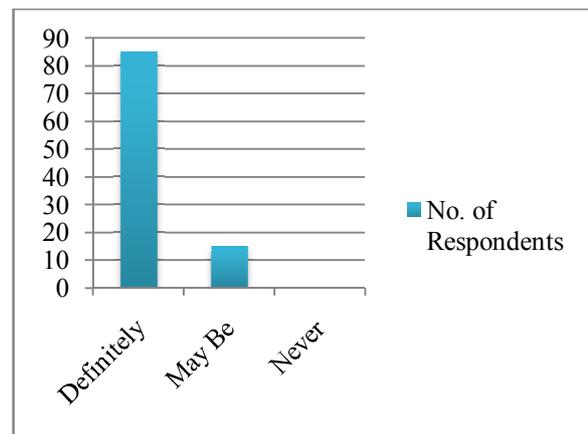
Ability of sales executives of Kataria (Graph.15)



On time delivery of the vehicle (Graph.14)



Recommendation Kataria Automobile to others (Graph.16)



FINDINGS OF THE STUDY:

The Researcher based on the Analysis has come up with following findings:

- The Researcher from the study observes that Brand Swift Car is more preferred as against the other brands of Maruti. The Family members are the most influenced factor for buying decision of Maruti cars. Most of the respondents are aware about Maruti by their friends or relatives. Customers are using the vehicle mostly for family purpose.
- The study reflects that most of customers are satisfied with quality and technology as well as satisfied with Luxury and spacious of Maruti.
- The Researcher understands that Price of the Maruti car is reasonable and price for spare parts are less.
- The Researcher learns that 68% of the respondents feels comfortable while driving Maruti. Most of the customer's opinion that total performance and Mileage ie. fuel efficient of the Maruti car is good.
- Kataria Automobile alert the customer regularly on free services provide by them. Kataria Automobile delivering vehicle on time. Almost all customers are satisfied on service network of Maruti and respondent feels dealership of Kataria Automobile and performance of the executives is Very good. Majority of respondents are ready to recommend Kataria Automobile to their friends and relatives.

CONCLUSION:

The Researcher gathers that the customer satisfaction is most important part of any industry. So it is the main responsibility of any company to improve quality of service which is beneficial to enhance the no. of new customers.

The study also helps to understand that Price of the car and spare parts are very important satisfaction factor for four wheelers. So Price of Maruti vehicle and its spare parts are comparatively low with other brands. The study will bring to light the relevance of maintaining quality as a means of offering satisfaction to four wheeler vehicle owners during the active period of use of the vehicle.

Kataria Automobiles provide good service to customers. When the company provide the best in class service than there is no need to expand more money on promotions and advertisement because a satisfied customer directly promote the brand or particular product. This is directly word of mouth communication or promotion and it will be the most effective for particular company. The study leads to understanding that majority of customer of Kataria is willing to recommend friends or relatives.

The four wheeler automobile service industries will be better equipped to take decisions on the right investments to improve on quality of service, Better Quality and technology and affordable Price and they leads to customer satisfaction.

ADDENDUM:

Figure No.	Minutiae
Graph.1	Main usage of vehicle
Graph.2	Mode of Awareness
Graph.3	Attracted Feature
Graph.4	Influence to buy Four wheeler
Graph.5	Quality and Technology
Graph.6	Luxury and Spacious
Graph.7	Price of the Maruti
Graph.8	Price of Spare Parts
Graph.9	Mileage of Maruti vehicle
Graph.10	Respondents overall view of Maruti performance
Graph.11	Awareness about free service offered
Graph.12	Convenient on service network
Graph.13	Feedback on Kataria
Graph.14	On time delivery of the vehicle
Graph.15	Ability of sales executives of Kataria
Graph.16	Recommendation Kataria Automobile to others

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“AN INSIGHT ON COMPUTER VIRUSES & PROVISIONS FOR SAFETY”

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ABSTRACT:

Today we live in the 21st century where human work is recorded digitally in different storage device. The storage devices can be of personal use, any firm, corporate or any national or international agency or organisation. Large amount of data related to personal records, government records, secret & confidential data, data related to industries and every working organisation, tries to secure its data for purpose of securing it and protecting it from misuse. But as we are moving towards technology and trying to be securing data by various tools & software, still the adverse effects of virus are affecting our systems drastically. It is not only manipulating records, but also privacy is also been put in danger.

The paper tries to explain the dangers & effects by some major viruses & also further discusses the necessary steps by which data can be secured & types of virus or malwares can be identified to some extent. The storage devices used today like mobile, personal computers, large corporate storage devices, needs to monitor their system on timely basis to secure information & relevant data from future point of view.

Keywords: Storage devices, records, confidential, technology, systems, monitor.

Introduction

A Computer Virus is a relatively small software program that is attached to another larger program for the purpose of gaining access to information or to corrupt information within a computer system. Some computer viruses may be relatively harmless. For example, some of them just cause a certain message to pop up on a user's computer screen. Other viruses can be deadly to the computers they infect, erasing information and hard drives, stealing data, and slowing down the entire computer system. Like other software programs, someone must create and write a computer virus; once they are created, viruses can multiply rapidly and spread themselves from computer to computer. Anyone that owns a computer dreads the words "Computer Virus." A computer virus is a damaging program that gets into your system, replicates itself and continues to do damage. There are many ways that a computer virus can get into your system and there are just as many ways that a computer virus can do its damage. (<http://www.antivirusware.com/articles/computer-virus.htm>)

Objective of the study

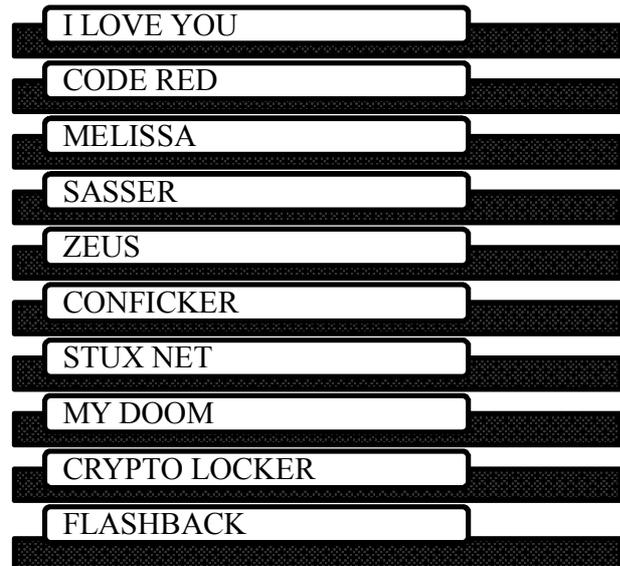
- 1) To analyse different types of virus affecting various computers & other systems.
- 2) To find out impact of this virus on various areas of working.
- 3) To find out alternatives for protecting the system.

Scope of the study

The paper is purely based on secondary data and is more incline towards, finding out the reasons & alternatives to the various viruses affecting the computer system in general.

In this list, the author has highlighted some of the worst and notorious computer viruses that have caused a lot of damage in real life. And since people usually equate general malware like worms and trojan horses as viruses, we're including them as well. These malware have caused tremendous harm, amounting to billions of dollars and disrupting critical real life infrastructure. Here are the 10 most malicious computer viruses that have caused many issues in the system at personal, corporate & national level to various areas of working.

MOST MALICIOUS TYPES OF VIRUS



- I Love You -- The ILOVEYOU virus is considered one of the most virulent computervirus ever created and it's not hard to see why. The virus managed to wreck havoc on computer systems all over the world, causing damages totalling in at an estimate of \$10 billion. 10% of the world's Internet-connected computers were believed to have been infected. It was so bad that governments and large corporations took their mailing system offline to prevent infection.

The virus was created by two Filipino programmers, Reonel Ramones and Onel de Guzman. What it did was use social engineering to get people to click on the attachment; in this case, a love confession. The attachment was actually a script that poses as a TXT file, due to Windows at the time hiding the actual extension of the file. Once clicked, it will send itself to everyone in the user's mailing list and proceed to overwrite files with itself, making the computer unbootable. The two were never charged, as there were no laws about malware. This led to the enactment of the E-Commerce Law to address the problem.

- Code Red -- Code Red first surfaced on 2001 and was discovered by two eEye Digital Security employees. It was named Code Red because the pair was drinking Code Red Mountain Dew at the time of discovery. The worm targeted computers with Microsoft IIS web server installed, exploiting a buffer overflow problem in the system. It leaves very little trace on the hard disk as it is able to run entirely on memory, with a size of 3,569 bytes. Once infected, it will proceed to make a hundred copies of itself but due to a bug in

the programming, it will duplicate even more and ends up eating a lot of the systems resources.

It will then launch a denial of service attack on several IP address, famous among them the website of the White House. It also allows backdoor access to the server, allowing for remote access to the machine. The most memorable symptom is the message it leaves behind on affected web pages, "Hacked by Chinese!" which has become a meme itself. A patch was later released and it was estimate that it caused \$2 billion in lost productivity. A total of 1-2 million servers were affected, which is amazing when you consider there were 6 million IIS servers at the time.

- Melissa-- Named after an exotic dancer from Florida; it was created by David L. Smith in 1999. It started as an infected Word document that was posted up on the alt.sex Usenet group, claiming to be a list of passwords for pornographic sites. This got people curious and when it was downloaded and opened, it would trigger the macro inside and unleash its payload. The virus will mail itself to the top 50 people in the user's E-mailaddressbook and this caused an increase of E-mailtraffic, disrupting the E-mailservices of governments and corporations. It also sometimes corrupted documents by inserting a Simpsons reference into them. (Canada)

Smith was eventually caught when they traced the Word document to him. The file was uploaded using a stolen AOL account and with their help, law enforcement was able to arrest him less than a week since the outbreak began. He cooperated with the FBI in capturing other virus creators, famous among them the creator of the Anna Kournikova virus. For his cooperation, he served only 20 months and paid a fine of \$5000 of his 10 year sentence. The virus reportedly caused \$80 million in damages.

- Sasser-- A Windows worm first discovered in 2004, it was created by computer science student Sven Jaschan, who also created the Netsky worm. While the payload itself may be seen as simply annoying (it slows down and crashes the computer, while making it hard to reset without cutting the power), the effects were incredibly disruptive, with millions of computers being infected, and important, critical infrastructure affected. The worm took advantage of buffer overflow vulnerability in Local Security Authority Subsystem Service (LSASS), which controls the security policy of local accounts causing crashes to the computer. It will also use the system resources to propagate itself to other machines through the Internet and infect others automatically.

The effects of the virus were widespread as while the exploit was already patched, many computers haven't updated. This led to more than a million infections, taking out critical infrastructures, such as airlines, news agencies, public transportation, hospitals, public transport, etc. Overall, the damage was estimated to have cost \$18 billion. Jaschen was tried as a minor and received a 21 month suspended sentence.

- Zeus-- Zeus is a Trojan horse made to infect Windows computers so that it will perform various criminal tasks. The most common of these tasks are usually man-in-the-browser key logging and form grabbing. The majority of computers were infected either through drive-by downloads or phishing scams. First identified in 2009, it managed to compromise thousands of FTP accounts and computers from large multinational corporations and banks such as Amazon, Oracle, Bank of America, Cisco, etc. Controllers of the Zeus botnet used

it to steal the login credentials of social network, E-mail and banking accounts. (<https://abuse.ch/?p=1192>, 2017)

In the US alone, it was estimated that more than 1 million computers were infected, with 25% in the US. The entire operation was sophisticated, involving people from around the world to act as money mules to smuggle and transfer cash to the ringleaders in Eastern Europe. About \$70 million were stolen and in possession of the ring. 100 people were arrested in connection of the operation. In late 2010, the creator of Zeus announced his retirement but many experts believe this to be false.

- Conficker-- Also known as Down up or Downadup, Conficker is a worm of unknown authorship for Windows that made its first appearance in 2008. The name comes from the English word, configure and a German pejorative. It infects computers using flaws in the OS to create a botnet. The malware was able to infect more than 9 million computers all around the world, affecting governments, businesses and individuals. It was one of the largest known worminfections to ever surface causing an estimate damage of \$9 billion.

The worm works by exploiting a network service vulnerability that was present and unpatched in Windows. Once infected, the worm will then reset account lockout policies, block access to Windows update and antivirus sites turn off certain services and lock out user accounts among many. Then, it proceeds to install software that will turn the computer into a botnet slave and scareware to scam money off the user. Microsoft later provided a fix and patch with many antivirus vendors providing updates to their definitions. (<https://en.wikipedia.org/wiki/Conficker#mediaviewer/File:Conficker.svg>)

- Stuxnet-- Believed to have been created by the Israeli Defence Force together with the American Government, Stuxnet is an example of a virus created for the purpose of cyber warfare, as it was intended to disrupt the nuclear efforts of the Iranians. It was estimated that Stuxnet has managed to ruin one fifth of Iran's nuclear centrifuges and that nearly 60% of infections were concentrated in Iran. The computer worm was designed to attack industrial Programmable Logic Controllers (PLC), which allows for automation of processes in machinery. It specifically aimed at those created by Siemens and was spread through infected USB drives. If the infected computer didn't contain Siemens software, it would lay dormant and infect others in a limited fashion as to not give itself away. If the software is there, it will then proceed to alter the speed of the machinery, causing it to tear apart. Siemens eventually found a way to remove the malware from their software. (<https://spectrum.ieee.org>)

- MyDoom --- Surfacing in 2004, Mydoom was a worm for Windows that became one of the fastest spreading E-mailworms since ILOVEYOU. The author is unknown and it is believed that the creator was paid to create it since it contains the text message, "andy; I'm just doing my job, nothing personal, sorry,". It was named by McAfee employee Craig Schmutgar, one of the people who had originally discovered it. 'mydom' was a line of text in the program's code (my domain) and sensing this was going to be big, added 'doom' into it. (<http://virus.wikidot.com/mydoom>)

The worm spreads itself by appearing as an E-mail transmission error and contains an attachment of itself. Once executed, it will send itself to E-mail addresses that are in a user's address book and copies itself to any P2P program's folder to propagate itself through that network. The payload itself is twofold: first it opens up a backdoor to allow

remote access and second it launches a denial of service attack on the controversial SCO Group. It was believed that the worm was created to disrupt SCO due to conflict over ownership of some Linux code. It caused an estimate of \$38.5 billion in damages and the worm is still active in some form today.

- CryptoLocker-- CryptoLocker is a form of Trojan horse ransomware targeted at computers running Windows. It uses several methods to spread itself, such as email, and once a computer is infected, it will proceed to encrypt certain files on the hard drive and any mounted storage connected to it with RSA public key cryptography. While it is easy enough to remove the malware from the computer, the files will still remain encrypted. The only way to unlock the files is to pay a ransom by a deadline. If the deadline is not met, the ransom will increase significantly or the decryption keys deleted. The ransom usually amount to \$400 in prepaid cash or bitcoin. The ransom operation was eventually stopped when law enforcement agencies and security companies managed to take control part of the botnet operating CryptoLocker and Zeus. Evgeniy Bogachev, the ring leader, was charged and the encryption keys were released to the affected computers. From data collected from the raid, the number of infections is estimated to be 500,000, with the number of those who paid the ransom to be at 1.3%, amounting to \$3 million.
- Flashback -- Though not as damaging as the rest of the malware on this list, this is one of the few Mac malware to have gain notoriety as it showed that Macs are not immune. The Trojan was first discovered in 2011 by antivirus company Intego as a fake Flash install. In its newer incarnation, a user simply needs to have Java enabled (which is likely the majority of us). It propagates itself by using compromised websites containing JavaScript code that will download the payload. Once installed, the Mac becomes part of a botnet of other infected Macs. The good news is that if it is infected, it is simply localized to that specific user's account. The bad news is that more than 600,000 Macs were infected, including 274 Macs in the Cupertino area, the headquarters of Apple. Oracle published a fix for the exploit with Apple releasing an update to remove Flashback from people's Mac. It is still out in the wild, with an estimate of 22,000 Macs still infected as of 2014. (<https://www.cnet.com>, 2017) The good news is that if it is infected, it is simply localized to that specific user's account. The bad news is that more than 600,000 Macs were infected, including 274 Macs in the Cupertino area, the headquarters of Apple. Oracle published a fix for the exploit with Apple releasing an update to remove Flashback from people's Mac. It is still out in the wild, with an estimate of 22,000 Macs still infected as of 2014.

From the above we can say that virus has affected adversely too many domains.

What kind of programs can viruses attach themselves to?

Think of it this way – any file you would normally run on your machine could have a virus attached. There are actually more than 50 potential file types just considering Windows machines. File types include:

- 1) .exe (executable files)
- 2) .com (executable file type originally used on MS-DOS)
- 3) .bat (a batch file – containing a list of commands, originally used on MS-DOS)
- 4) .cmd (similar in type and scope to the .bat file)

- 5) .doc, .xls, .ppt (Microsoft Word, Excel and PowerPoint files can all contain harmful code in the form of macros)

However – all of these files require us to take an action. Such as double-clicking an .exe to run an installer. Or double-clicking to open up a Word document.

If you're not sure where a file has come from, think of it like a handrail on public transport – there might be all kinds of nasty germs living invisibly on it.

Threats By Type	Data
Viruses	57.00%
Misc. Trojans	21.00%
Trojan downloader and droppers	7.00%
Misc potentially unwanted software	4.00%
Adware	3.00%
Exploits	3.00%
Worms	2.00%
Password stealers and monitoring tools	2.00%
Backdoors	1.00%
Spyware	0.01%

Global threats caused due to Virus (<http://www.statisticbrain.com/information-leak-statistics/>)

Computer Virus Statistics	Data
Number of US households that experience heavy spam	24 million
Number of households that have had serious virus problems in the past 2 years	16 million
Number of households that have had spyware problems in the past 6 months	8 million
Number of households that lost money or had accounts misused by phishing	1 million
Estimated cost to US households for viruses, spyware and phishing	\$4.55 billion

Further we will discuss various steps to secure system from viruses.

1) Always have a backup of core files and programs

Plan ahead. Whilst it's tempting to simply believe we can rely on some tactics to tackle viruses head-on – the pros seriously outweigh the cons when it comes to preparation for the worst.

The absolute best way to avoid a computer virus ruining your day is to have a bulletproof fallback plan.

Should the worst come to pass and a virus reaches your computer and causes havoc, having a clean backup of all your most important files and programs is priceless.

There are plenty of options out there to backup files locally to hardware or in the cloud – even ways to easily manage backups for multiple devices.

2) **Never Download programs from Untrusted Sites**

Whenever possible, **download install files via the approved channel** – whether that is through the tool’s website, or via their third-party service such as Steam for gaming, or online stores such as the App Store. If the app you’re looking to download is only available from a third-party website, be very careful.

3) **Be Cautious while opening E-mail Attachment**

The way it works is that you’ll receive an E-mail from a known or unknown contact, normally with an innocuous file attachment, such as a Word Document. By downloading and opening the file, even for a split second, the macro virus within is given all the opportunity it needs to grab hold of the nearest program file in your system, from which it can launch its dastardly plans.

4) **Disable Image Previews in your E-mail Client**

Apart from taking care when opening attachments in emails, a great prevention tactic is to disable your E-mail client’s auto-loading of images contained in emails. There’s some confusion as to whether images in emails can be malicious in themselves, but more commonly images loading in an E-mail can contain tracking, which signals to the unscrupulous sender that you have opened one of their emails. Which can lead to them sending more emails to your inbox?

5) **Use an Anti malware Solution**

This might sound like a no-brainer, but running an antivirus/anti-malware solution on your machine at all times is absolutely essential. Catching viruses as early as possible are vital, as viruses, like their biological namesake, spread and mutate, increasing their damage and difficulty in removal. An anti-malware solution will isolate a compromised file by putting it into quarantine, effectively containing the virus and keeping it from spreading. The tool you choose to use must receive regular updates (definitions), at best multiple times a day, to be up-to-date and to protect you from new threats. Also, it must be active at all times. Most good and reliable anti-malware solutions feature a real-time-scanner that acts like a guard and scans each file that is being accessed for potential threats.

6) **Use of Firewall**

A firewall is your computer’s front line of defense against third party threats. It stands in the way between an external person or program which attempts to interact with your computer in some way. Whereas an antivirus program isolates and removes threats from files once they’re in contact with your computer, a firewall can prevent that file from reaching your computer in the first place.

7) **Update software Regularly**

Updating all your software regularly helps prevent viruses from causing you trouble because updates fix vulnerabilities to new threats. Updating Operating System software

such as Windows, as well as antivirus software, will give you a great chance of evading a virus's grasp.

8) Pay attention to virus warnings & notifications

The most obvious one being warnings and notifications popping up from your antivirus or Anti-Malware solution. Always take action. Immediately. However, sometimes a big red flag won't be jumping up and down on your screen. In which case, there are a few common symptoms you might notice.

That being said, if your situation means that you will need to remove the virus yourself (if there's no IT department, or your personal devices are infected for instance), there are a few steps you can take.

Step 1 – Safe Mode. Disconnect your PC from the network/internet to prevent the virus from spreading to other computers.

Then restart your computer into Safe Mode:

- For Windows press F8 as soon as you turn your PC back on – then select Safe Mode from the Advanced Boot Options.
- For Macs press Shift while turning on your computer. Release the key when you see the Apple logo and progress bar.

Step 2 – Full Scan. Once booted up, locate and run your antivirus program's full system scan. This might take a while, but you don't have to sit watching the progress bar crawl towards 100%.

Go off, do something else, and then come back.

Step 3 – Restart& Check. To completely remove any viruses the full scan has detected, it will often require a restart.

Do this, and then reboot again into normal mode.

Before reactivating network and internet connectivity, check that the problem has been resolved.

Then check your Internet Security settings to make sure the virus hasn't done any funny business with your default settings.

Lastly, check your important files and documents to make sure there hasn't been any corruption.

Step 4 – Backup or Carry On. If problems persist, you might want to consider wiping your computer, installing a fresh version of the operating system and using one of those handy backups of all your important files and data. (<https://blog.teamviewer.com/prevent-computer-virus/>)

Conclusion

The above paper is mentioned on secondary data and is purely descriptive in nature which has outlined the major viruses & hazards caused. Also the paper shows data of globally affected areas where systems have been hacked or felt losses in operating. Further we have also seen possible solutions to work out on identifying viruses by following some important steps.

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CSR DRIVERS AND THE CURRENT SITUATION IN INDIA

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Abstract:

Corporate houses around the world today face the dilemma of meeting their economic objectives along with their societal objectives. Factors such as rapid globalization and increasing access around the world markets due to the advent of Information Technology have greatly changed the face of how companies work today. While the opportunities have increased manifold so have the demands on businesses to meet requirements for sustainability, adhere to the Triple Bottom Line approach, implement Corporate Governance to name a few. Corporate Social Responsibility is a much discussed topic in board rooms as well as local forums today as the corporate and conglomerates struggle to balance their profitability ratios, stakeholders' demands and the environmental concerns all at the same time. Variables such as Age, Size, Area of operation, Ownership pattern to name a few affect the type and extent of Corporate Social Responsibility practices adopted by the corporate houses. In addition there are certain key drivers that motivate or influence the CSR practices which form the crux of this research paper.

Research Objective:

In the present study the researcher has made an attempt to study the prominent or key driving factors of Corporate Social Responsibility. The study also tries to throw light on the current CSR position in India.

Research Methodology:

The present study is of an analytical nature and makes extensive use of secondary data. The relevant secondary data has been collected from various publications, text books, newspapers, reference books, journals, periodicals, reports, internet etc.

Key Words:

Corporate Social Responsibility, Key drivers, Corporate Houses, Globalization, Stakeholders, opportunities, Triple Bottom Line approach

Introduction:

Business houses all over the world are increasingly realizing their stake in the society and engaging in various social and environmental activities. CSR holds a very important place in the development scenario of the world today and can pose as an alternative tool for sustainable development. As companies have shown great concerns for their immediate community and the stakeholders, it can be safely concluded that much of the fate of society lies in the hands of the corporate. (Ahmed)

The rationale for social responsibility arises from the fact that a company benefits from the society it operates in and that is not restricted to gains only in terms of profitability. Hence it is the responsibility of the company to provide back for the well-being of the society it operates in. The concepts of CSR need to be embedded in the basic framework of the company to derive various strategic advantages.

Social responsibility means a doctrine that claims that an entity whether it is government, Private Corporation or public organization has a responsibility towards society. CSR is a concept that reduces costs and risks, increases the brand value and reputation, effectiveness and the efficiency of employees, improves transparency, and clarity in the working environment of the business house. (Singh, 2010) As the companies continuously toy with new ideas and ways to improve their business activities, CSR offers strategic advantages.

CSR Scenario in India: Past and Current

CSR practices in India have obtained legal sanctity through clause 134 and 135 of The Companies Act, 2013. Clause 134 and 135 of the Act specifies that companies with net worth more than Rs.500 crore or turnover more than Rs.1000 crore or net profit more than Rs.5 crore are required to constitute a CSR committee to formulate CSR policy for the company. Companies are now obliged to spend a minimum of two per cent of average net profits earned during preceding three years before formulations of the policy (Singh R. &, 2013) Although the legal compulsions as enforced by the statute are a recent development the concept of CSR is not new in the Indian context.

Big companies like Tata and Birla are some of the pioneers to social practices in India, beginning way before Independence. These companies have actively contributed to social development initiatives in the communities surrounding their facilities. For instance, Jamshedpur, one of the prominent cities in the state of Jharkhand which is home to world's tenth largest steel manufacturing company, Tata Steel in India is also known as Tata Nagar and stands out at a beacon for other companies to follow.

In the article on Corporate Social Responsibility in 'India Putting Social-Economic Development' on a Fast Track by Ramya Sathish it is mentioned that many CSR initiatives in our country are executed by corporate in partnership with Non-governmental organizations (NGOs) who are well versed in working with the local communities and are experts in tackling specific social problems (Razdan)

Our ancient scriptures like the "Bhagwat Geeta" propounded the need for businessmen to be socially conscious. Spirituality and CSR are deeply rooted together in our culture and traditions. This perspective towards CSR in ancient India was different from the western thought process as reflected in the observation by Arthur Page, vice president of public relations at AT&T for around 20 years and former advisor to the US President: "...all business in a democratic country begins with public permission and exists by public approval"ⁱ

Mahatma Gandhi's thought process was way ahead of his times as is evident from his Ideology of Trusteeship as a CSR framework. The socio-economic philosophy of Trusteeship propounded by Mahatma Gandhi essentially believes that it is the responsibility of the rich to use their wealth for the benefit of the under-privileged. It is in the enlightened interest of businesses to strengthen the societies they operate in. (Bajaj, 2015)

It is important to note that Indian companies and stakeholders give a broader definition of CSR than MNC's reflecting a broader perspective and outlook. According to the Indian Corporate: "Sustainable development implies optimizing financial position while not depleting social and environmental aspects and CSR implies supporting issues related to children, women and environment".(Razdan)

From being merely philanthropic in nature to being an integral part of the corporate strategy the concept has greatly evolved in India. Thus the current situation of CSR in India appears to be progressive and adaptive to the changes occurring locally and globally.

Key drivers to CSR:

There prevail a number of factors or drivers that influence the adoption of CSR Practices by a corporate. The nature of these driving factors change from time to time and from place to place. While previously the Social responsibility practices were mainly philanthropic in nature today they have acquired many more dimensions. Due to diminishing boundaries locally and globally these drivers are slowly acquiring a uniform profile. Some of the most prominent drivers, pertinent to development of CSR in contemporary times are discussed below:

- 1) **Globalization:** Globalisation can be understood in simple words to mean free flow of trade between different countries in the world. It has converted the world into a global village. Globalization has had considerable impacts. It has united the people all over the world and resulted in a free exchange of products, services and information across international borders. Growth of Information Technology, Removal of Trade barriers, Liberalization Policies adopted by developing countries are some of the factors behind the rapid growth of globalisation in recent years. Globalization has fuelled the need to filter all strategic decisions through a CSR perspective to ensure optimal outcomes for diverse stakeholders.
- 2) **Compliance with regulations:** Most of the countries have enacted regulations to protect their environment, keeping long term sustainability in view. Some of these regulations are voluntary while others are compulsory in nature. Although local regulations relating to CSR may vary from one country to another the bottom line is that the threat of regulations and legal consequences remains a key driving force behind CSR.
- 3) **Increased Affluence:** CSR becomes more relevant as economies grow and stabilize. Therefore, the greatest attention to CSR is found in developed countries. Stable work and security provide the luxury of choice and socially responsible activism. No such luxury exists when basic needs are in question. (Back, 2011) Most of the underdeveloped countries are rapidly growing today. They too are affected by the global demands of sustainability and social responsibility as they are operating in a global transparent environment.
- 4) **Environmental concerns :** Fast depleting natural resources, growing pollution, climate change and such environmental concerns are one of the pivotal drivers affecting CSR policies of a concern today. There is a growing expectation from various stakeholder groups for corporate to pay attention to the ecological challenges. The firms also realise that it is in their best interest to protect the long-term availability of the resources on which they depend.
- 5) **Brand reputation:** Reputation and Goodwill play a very important role in affecting the consumer preference for a particular brand. Brands today play an imperative role in corporate success and much of the health of the brand depends on public perception of the corporation. CSR is highly instrumental in building goodwill, protecting the reputation and therefore upholding the brand of the corporate house.
- 6) **Shareholders stipulation:** Shareholders now realise that adopting CSR offers various benefits both economic and non-economic. Such benefits include mitigating the

organisational risks and Cost containment among others. Studies and research in the area suggest that CSR strategies help to improve profit margins. Thus it is no longer looked at as a cost by the shareholders but as a means to reduce costs thus pushing up the profitability.

- 7) **Supplier Chain relations** : The suppliers constitute a very important link in the supply chain management between the manufacturers and the consumers. As the stakeholders are increasingly getting involved in different areas of business there is an increasing pressure to behave ethically. An increasing number of Companies are actively taking measures to ascertain 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. For e.g. WalMart, Ikea, P&G, Timberland and other companies are forcing sustainability and CSR practices on vendors through various codes of conduct.

Apart from some of the main drivers for CSR discussed above some other drivers worth mention are the shrinking role of governments, demands for greater disclosure, increased customer interest, growing investor pressure, competitive labor markets, increasingly educated consumer demanding greater economic and social justice from corporations. Some of these are not new drivers but refinements of the old factors.

Limitations of the Study and Scope for Future Research:

This study has been undertaken subject to some limitations. Apart from the CSR drivers discussed above a more comprehensive study on CSR practices may be undertaken in future.

Further the same work can be undertaken for a particular industry or sector for in depth studies.

Conclusion:

In the present times, the concept of Corporate Social Responsibility (CSR) has become an inevitable priority on business agendas throughout the world and India is no exception to the same. Legal sanctions have further increased the momentum in the field. In the present study the researcher has made an attempt to study and analyse the key driving factors of CSR practices prevalent today world-wide and also in India. CSR will gradually become more mainstream and a part and parcel of everyday business strategy. The driving forces discussed above have brought us to the present level of CSR. These factors along with others ancillary forces will continue to promote and develop new trends towards social responsibility.

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“HUMAN CAPITAL: MAJOR DRIVER OF ORGANIZATIONAL PERFORMANCE.”

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Abstract :

Human Capital or Talent Capital is the currency of new millennium. The new age organizations has begun to recognize their human assets as one of the most important force for sustainable competitive advantage. In today's world where customer relations & knowledge plays vital role; human capital which represents a company's stock of knowledge, technical skills, creativity and experience, is becoming significant value proposition; the employees are treated as the productive assets of an organization, rather than as an expense or cost center.

Human Capital can prove to be driver of business performance if systematic methods and framework can be established for securing, managing, measuring and motivating a workforce that are capable of achieving significant business goals.

This paper aims to address the importance of Human Capital on the performance of manufacturing companies in India and intends to show various dimension of intellectual capital that will contribute to the performance of Manufacturing companies. With the emergence of knowledge intensive global economy, it has been realized that it is the human talent which plays a major role in company's success.

The objective of this study was to explore the relationship among various components of Intellectual Capital which are Human Capital , Structural Capital Customer Capital and Firm performance and to study the impact of Human Capital Management on Organizational Performance.

Key words : *Human Capital, Intellectual Capital, Firm Performance, Knowledge Capital*

1.1 Introduction :

Intellectual Capital is the soul of every organization. The knowledge economy has shifted the focus from tangible assets to intangible assets. In an emerging knowledge era, the organizations can no longer grow and compete only with the tangible assets. Efficient as well as effective management of Intellectual Capital is prerequisite to unleash the potential Intangible assets belonged to an organization.

The basic components of Intellectual Capital are Human Capital, Structural Capital and Customer Capital (Edvinsson & Malone, 1997). Today's Organizations have realized that management and measurement of these three forms of capital is the real force behind gaining competitive edge.

1.2 Capital Redefined :

The Latin root of the word Capital itself is Caput – “ head”. Capital is the value of economic means capitalized in natural, human and physical resources. An organization is made up of competencies which we can loosely call ‘capital’. Its key components are Customer Capital, Structural capital and human capital. Further it can extended to other forms of capital

such as, Emotional Capital, Thought Capital, Spiritual Capital, innovation Capital, knowledge capital, etc

Noble laureate, economists Gary Backer (1993), proposed that human capital comprises skills, experience, knowledge, personality, appearance, reputation and credentials. According to the Definition put forth by Flamholtz (1974), the term Human Capital means, “the knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life & used to produce goods, services or ideas in market circumstances.”

Edvinsson (1996) asserts structural capital is, what is left when the human resources go home. The sum of the strategy, systems and processes (Grantham 1997), the hardware, software, databases, organizational structure, and everything else of organizational capability (Edvinsson 1997) including the organizational routines of the business (Bontis1999), the models, computer and administrative systems (Sveiby 1997) and the company’s operating philosophy (Edvinsson 1996). Organisational structure, systems, process, strategies, administrative systems and operational philosophies are intangible assets that are specific to the firm and add value to the firm performance.

Relationship with customers, suppliers and other stakeholders also act as major parameter for successful organization. Stewart (1997) says it is the value of an organization’s relationships with the people with whom it does business. Bontis defines it as the knowledge embedded in the relationships established with the outside environment (Bontis 1999)

Intellectual capital in short is the summation of all three forms of capital i.e. Intellectual capital = Human capital + structural capital + Customer capital. In order to achieve the economic benefits, the organizations have to undertake effective measurement and management of Intellectual capital.

1.3 Review of Literature :

The phrase ‘human capital’ was coined by Schultz (1961) who elaborated his concept in 1981 as follows: ‘Consider all human abilities to be either innate or acquired. Attributes... which are valuable and can be augmented by appropriate investment will be human capital.’ A more detailed definition was put forward by Bontis et al (1999) as follows: “Human capital represents the human factor in the organization ; the combined intelligence skills and expertise that gives the organization are those that are capable of learning, changing, innovating and providing the creative thrust which if properly motivated can ensure the long-term survival of the organization.” Thomas Davenport, in his book "Human Capital: What it is and Why People Invest in it", wrote that employees should not be viewed as assets, or factors of production, but "investors in a business, paying in human capital and expecting a return on their investment."

Human capital is defined as "the accumulated value of investments in employee training, competence and future. Might also be described as the employees' competence, relationship ability and values" . It is an element under the broader umbrella of intellectual capital - comprising of human capital, structural capital, organisational capital, innovation capital, and process capital, according to the Intellectual Capital Prototype Report, Skandia 1998.

People are the chief engine of prosperity for most organizations. "Workers are assets" has become the dominant metaphor of late 20th-century management. However, Thomas O. Davenport, objects to calling workers as assets. In his article entitled "Workers are not assets" he

argued that "assets are passive - bought, sold, and replaced at the whim of their owners; workers, in contrast, take increasingly active control over their working lives". In his book "Human Capital: What it is and Why People Invest in it", he again contends that employees should not be viewed as assets, or factors of production, but "investors in a business, paying in human capital and expecting a return on their investment."

Kaplan and Norton (1996) have considered human capital as consisting of employee capability, employee satisfaction, and employee sustainability. Sveiby (1997) emphasized employee capability as a key asset for organizational growth. Employee satisfaction refers primarily to an employee's emotional or affective state.

Maree Kevin (2001), in his thesis, "Valuation of Intellectual Capital in South African Companies : A Comparative study of three valuation methods", had highlighted that that future economic benefits will flow to the enterprise from a properly managed intellectual capital base. He stressed on calculating the financial value of Intellectual Capital and putting these values in the financial statement of the organization.

Kannan Gopika (2001), in her thesis, "Antecedents and consequences of Human Capital value addition among knowledge professionals", stated that, leveraging the knowledge of employees is one of the pre-eminent factors in improving productivity and innovation and subsequently results into better firm performance.

Mazlan Bin Ismail(2005), in his thesis, "The Influence of Intellectual Capital on the Performance of Telecom Malaysia", has depicted, the impact of effective managing, measuring and leveraging the intellectual capital in business performance of Malaysian telecom company. The study indicates a positive significant relationship between relational, human, spiritual and structural capital and managing and leveraging of intellectual capital on the performance whereas knowledge management has indirect relationship to the performance.

As Becker et al (2001) emphasize: 'The most potent action HR managers can take to ensure their strategic contribution is to develop a measurement system that convincingly showcases HR's impact on business performance'. It means that new age HR professionals should establish the system so as to identify and measure the brains behind firms value creation process.

1.4 Management By Measurement :

New age organizations have understood the need and importance of leveraging the potential of their 'Thought Capital' by evaluating and measuring it. Various metrics and indicators are used to put the 'Emotional Assets' i.e. people on the asset side of the Balance Sheet. Employees or the human assets are most precious assets of every organization. Human Capital therefore is not only one of the components of intellectual capital but also it serves as foundation for other forms of capital.

In today's competitive knowledge epoch, the presence, performance and perpetual existence of an organization will be determined largely by how the right capital mix between physical and intellectual capital of the organization is leveraged to gratify the interest of its stakeholders i.e. investors, creditors, suppliers, customers, employees and society.

1.5 Research Methodology:

The data was collected by undertaking the survey and visits to 40 companies by way of setting questionnaire. Moreover Structured observations including interviews of HR Managers

, key personnel and employees were also conducted. Statistical tools like Correlation & Regression Analysis have been used. While framing and designing the Questionnaire, items were taken from Edvinsson & Malone (1997), Brookings(1996), Sveiby(1997), and Bontis et al. (2000) Overlapping indices were combined and finally the researcher selected indices and created a questionnaire based on them . For each of the question, respondents were asked to indicate the extent of their agreement on a 5 point Likert's scale. (where 1 = strongly disagree to 5 = strongly agree.)

1.5.1 Sample: The relevant data had been collected from 40 companies employing more than 500 employees. These organizations under study represents various sectors like Pharma, IT, Automobile, Equipments, Electrical, Aeronautical, Oil and Chemical etc.

1.5.2 Research Objectives :

1. To study the concept of Human Capital Accounting followed in selected organizations.
2. To study the relation between human capital , its deployment and profitability.

1.5.3 Hypothesis :

Employees are the valuable assets of a company along with other assets.

1.5.4 Primary Data

For this Study, a total of 240 Questionnaire were distributed to HR managers and Vice Presidents (Human resources) and few key employees from the various levels. There were 8 respondents who failed to return the questionnaires and 3 respondents failed to give their answers to all of the questions asked. These unanswered questions were treated as missing values to be discarded to avoid the data having any missing value. As a result only 229 respondents were included in the final sample. Manufacturing firms were chosen for the main reason that most of the indices of Human Capital, Customer Capital and Process Capital were related to the production process.

1.5.5 Secondary Data

The data supporting Human Capital Measurement is also collected from secondary sources like - Annual Reports, Company's Policy Manual, Books on Human Capital, Journals & websites.

1.5.6 Indicators Used In The Study:

While selecting the various Indicators for Human Capital, Customer capital and Process capital, items were taken from Edvinsson & Malon(1997), Brookings(1996) Sveiby(1997), Bontis (2000), Mark Huselid etc. Indicators were also derived from the literature of Youndt (1998) who stated the relationship between Intellectual capital and firm performance, Walker(2001), about relation between human capital and firm performance.

Table 1 Intellectual Capital Indicators :

Human Capital Indicators	Customer Capital Indicators	Process Capital Indicators
HC -1 Knowledge Creation	CC-1 Customer Loyalty	PC-1 Process System
HC-2 Knowledge Application	CC -2 Customer feedback	PC-2 Process Strategy
HC-3 Innovations	CC-3 Customer & supplier relations	PC-3 New Product Success rate
HC-4 IT Literacy	CC-4 Customer Satisfaction	PC-4 R & D Investment
HC-5 Employee Satisfaction	CC-5 Reduction in complaints	PC-5 Reduction in Wastages
HC-6 Attrition Rate	CC-6 On time delivery	PC-6 ISO Certification
HC-7 Employee suggestions	CC-7 No. of Customers	PC-7 Employee involvement in process
HC-8 Absenteeism Rate	CC-8 Sales through Customers	PC-8 Process Cost
HC- 9 Knowledge acquisition & Training	CC-9 Supplier Strength	
	CC- 10 Market Share	

Fig. 1 Research Model for Human Capital Management :

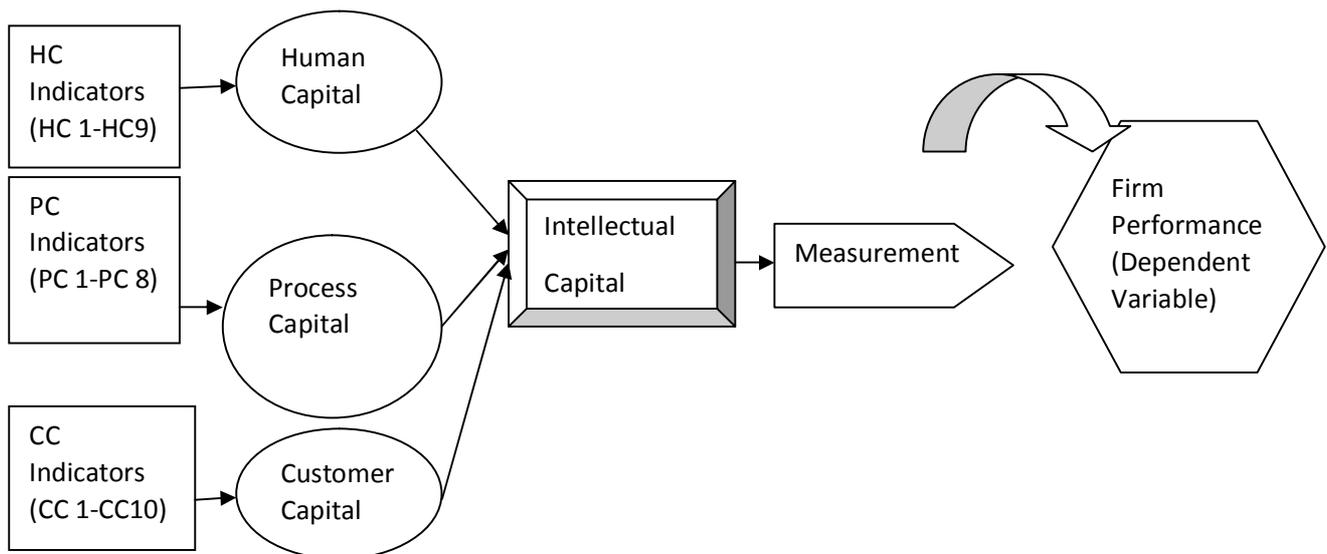


Fig. 1 indicates that three components of Intellectual Capital which are Human Capital, Structural Capital and Customer capital, when effectively managed and measured by the organizations can create value due to better firm performance.

1.6 Data Analysis & Interpretation

As the data used in this research was numerical and qualitative in nature, the research methodology was of a quantitative as well as qualitative nature. The statistical procedures applied to these data was aimed at to investigate the nature and extent of relationship between the three measures of Intellectual Capital which are Human Capital(HC) – Structural Capital (SC)- Customer Capital (CC) (predictor variables) and Firm Performance (predicted variable) .

1.6.1 Correlation analysis of Human Capital, Process Capital & Customer Capital :

The results of the Pearson's correlation coefficient analysis are reflected below. It showed correlations and significance levels achieved across all variables within as well as with dependent variable that is Firm Performance. Correlations are deemed to be significant at the level $p < .05$. For the purpose of analysis, Process Capital, Human Capital and Customer Capital are coded as X1, X2 and X3.

Correlations among X1 (Process Capital), X2 (Human Capital), X3 (Customer Capital)

X1	X2	
X2	0.519	← Pearson correlation
	0.000	← P Value
X3	0.673	0.553 ← Pearson correlation
	0.000	0.000 ← P Value

Here all p value is coming out to be 0 which indicates the correlation is significant.

And there is a positive correlation between the variables of :-

- (X1,X2) ie (**Process Capital, Human Capital**) $r = 0.519$
- (X1,X3) ie (**Process Capital, Customer Capital**) $r = 0.673$
- (X2,X3) ie (**Human Capital, Customer Capital**) $r = 0.553$

1.6.2 Interpretation

- A) The correlation coefficient between Process capital and Human Capital is **0.519**. It is positive and statistically significant value. It means that excellent firm performance has roots in having talented and dedicated work force. It further indicates that presence of talented and dedicated workforce can draft, formulate, nurture, develop and finally implement world class internal organizational processes and systems (Called Process Capital) which will finally result into excellent Firm Performance.
- B) Process capital and customer capital also has a statistically significant positive correlation ($r = 0.673$) It indicates that world class manufacturing processes, ISO Certification and reduction in Process costing has direct impact on-
 - a. Customer loyalty
 - b. Customer Satisfaction
 - c. Reduction in customer complaints
 - d. Increasing no of customer
 - e. Market Share

- C) Human Capital and Customer Capital also has a positive correlation($r=0.553$). This demonstrated that there is reason to believe that human capital has a direct impact on customer capital. It is an indicator of the fact that Loyal, committed, talented and experienced Human resources (employees) are there at the root to achieve
- a. Customer satisfaction,
 - b. On time delivery of projects
 - c. Customer loyalty
 - d. Positive customer feedback
 - e. Healthy relations with suppliers and customers.
- D) The Firm Performance in terms of Sales per Employee, Targets Fulfilled, Market performance and Profit Per Employee etc also positively influenced by the presence of Skilled and Talented workforce responsible for assigned particular work in the organization.

1.7 Analysis& Findings

This study is empirical research carried put on 40 Manufacturing Companies using Questionnaire based survey and Interviews. After a thorough interaction and interviews with the HR managers and Key employees of the organizations, the researcher compiled the following reasons for measurement and management of Human Assets in the organization, which are enlisted below: Human Capital Management helps the organizations –

1. To focus attention on “What Gets Measured Gets Managed”.
2. To improve the management of Intangible Resources
3. To help in assessing strategy execution for better resource allocation
4. To identify core competencies and create the resource based strategy.
5. To attract new talents and retain the old valued employees
6. To attract new client base and retain old client
7. To assess and communicate the value of HR to the stakeholders.
8. To reflect the value of HR on firms business performance in the financial statements.
9. To ensure relative assessment of productivity , profitability& return on investment.
10. Human Capital or the employees are the essence of organizational wealth. They are the real force behind the value creation and knowledge architecture of any firm.

Findings :

1. The research study has revealed that presence of talented and dedicated workforce can draft, formulate, nurture, develop and finally implement world class internal organizational processes and systems (called Process Capital) which will finally result into excellent Firm Performance in the companies under study.
2. The Study has explored that human capital has a direct impact on customer capital. It is an indicator of the fact that loyal, committed, talented and experienced Human resources (employees) are there at the root to achieve Customer satisfaction, On time delivery of projects, Customer loyalty, Positive customer feedback, Healthy relations with suppliers and customers.

3. The researcher also found that world class manufacturing processes, ISO Certification and reduction in Process costing has direct impact on Customer loyalty, Customer Satisfaction, Reduction in customer complaints, Increasing no of customers and Market Share.
4. The result of Correlation Analysis showed that, Business performance can be improved or positively & upwardly influenced due to the presence of World class manufacturing process, Internal systems, New product success rate, Reduction in process cost & Excellent business strategies.

The hypothesis constructed for this research has been thus, positively tested and supported by the fact that human assets are most valuable assets and its importance can be visualized the way it is being managed in the organization so as to provide competitive and economic advantage to the firms.

1.8 Cost Adjusted Benefit Model : [CAB Model -Proposed by researcher & based on Morse's (1973) Net Benefit Method]

Under this method, the value of human resources is equivalent to the present value of economic benefits of Organisation after cost adjustment, from the service of its employees. The following steps are involved under this approach :

1. Total revenue and other monetary benefits derived by the firm due to the efforts of human resources in their individual and collective capacity during the year. (A)
2. The value of direct and indirect payments to the employees during that financial year.(B)
3. Excess of total benefits derived over total cost incurred specifically on human resources is ascertained. (C) This represents Cost Adjusted Benefits to the enterprise because of human resources.
4. By applying a predetermined discount rate (usually the cost of capital) to above net benefit(C), the present value is determined. This amount represents the value of human resources to the enterprise.

1.9 Limitations and scope for further research

One of the limitations of this research is that, it involved the study of intellectual capital - an intangible, which is difficult to quantify using the present measurement system. The results and findings of this research are applicable to Manufacturing sector since other sectors are not falling in the gamut of scope of study. The study may be extended to other knowledge intensive industries. This Study is confined to the three most popular components of Intellectual Capital that is Human Capital, Structural Capital, Customer capital; whereas other components of like Social Capital, Innovation Capital could be added in future researches to increase the versatility of the research.

1.10 Conclusion:

Talent is the currency of new millennium and organizations can heavily bank upon this currency to build its success stories. This paper has discussed the concept of human Capital which is key to business success in today's knowledge era.

Knowledge capital of a firm is its possession of knowledge, applied experience, organizational technology, customer relationships and professional skills that provides it with competitive edge in the market. With the emergence of knowledge intensive global economy, it

has been realized that investment in talent reap rich dividends. Thus, effective management and measurement of Human Capital is the call of the day.

“Though invisible and difficult to measure, knowledge and human expertise are Starting to be seen for what they are – the source of value creation.”

-Lank 1997

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A PRAGMATIC STUDY ON CLIENT SATISFACTION WITH SPECIAL REFERENCE TO ASTERIX REINFORCED LTD., SILVASSA

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ABSTRACT :

Client satisfaction is the term used to describe a scenario when an exchange meets the needs and expectation of its user. Client satisfaction, as a business term, can also be used to measure how the supplies of product or services satisfy customer expectation. Client satisfaction plays very important role in business and it also helps business to grow up and to achieve their goals. The present study is based on gauging client satisfaction of a chemical products manufacturing company - Asterix Reinforced Ltd. The study is intended to gather the factors that lead to satisfaction of the customer. The research is conducted by adopting exploratory & descriptive research design with the help of primary and secondary data. Data was collected using a structured questionnaire distributed to 30 respondents (clients) in Silvassa. It captures the provision of goods or services that fulfill the client's expectations in term of quality and services. The quality of products & its availability has a strong influence on the satisfaction of the customers. Client satisfaction provides marketers and business owners with a metric that they can use to manage and improve their businesses. Customer satisfaction is the best indicator of how likely a customer will make a purchase in future.

Key Words: Client Satisfaction, Chemical Industry

INTRODUCTION:

Your most unhappy customers are your greatest source of learning.

- Bill Gates, Microsoft

Client satisfaction a term frequently used in marketing is a measure of how products and service supplied by company meet or surpass client satisfaction. Client satisfaction is defined “the no of clients, or percentage of total clients, whose reported experience with a firm, its products, or its services exceed specified satisfaction goal”. Within organization client satisfaction rating can have powerful effect. They focus employee on the importance of fulfilling client expectation. Clients include anyone the organization supplies with product and services. Satisfying the clients includes providing what is needed when it's needed. In many situations, it's up to the clients to provide the supplier with requirements. Client satisfaction surveys aim at overcoming the challenges faced by businesses in their attempt to achieve high levels of client satisfaction. It provides a concrete mechanism to collect the perception and expectation of clients regarding the product/service, its delivery and the company as a whole; and can provide organizations with areas to focus their energy and efforts on. Client satisfaction shows how satisfied clients are with a company's products or services. The client satisfaction score can indicate the level of satisfaction with a product or service. Client satisfaction is a metric and the baseline score is marked by internal benchmarking of the organization.

The current study was conducted in the field Chemical Industry. The chemical industry is a highly versatile segment in the overall industrial economy of India. It is one of the oldest domestic industries in India, contributing significantly to both the industrial and economic growth. The project was based on the theme of Client Satisfaction at Asterix Reinforce Ltd. The company was established by Mr. Pavan Droliaa in the year 1992 and focuses on Manufacturing of Chemicals products. As part of the survey amidst the selected clients as respondents, the author has gathered inferences on quality perspective, choice of products from different companies, product service, satisfaction level etc. Client satisfaction has been an intrinsic aspect for every company and the present study generates inferences towards the client satisfaction experienced by Asterix Reinforce Ltd. And also the paper leads to understanding on the concept of Client satisfaction.

OBJECTIVES OF THE STUDY:

1. To understand the concept of client satisfaction with special reference to Asterix Reinforced LTD.
2. To conduct a client satisfaction survey and to record & present inferences.

RESEARCH METHODOLOGY:

The present study is exploratory & descriptive in nature. The population for the survey comprised of the clients of company and the sampling technique adopted was Random Sampling Technique. Sample Size was 30 respondents. The author has conducted the study with the help of both Primary & secondary data. Research tool was Questionnaire with 12 questions. All questions are about seeking responses towards client satisfaction. The study leads to gathering responses from selected existing clients of the company and scope comprises of the study within the ambit of the concerned company. Such studies are beneficial to the Organisation in terms of strategizing further towards meeting client satisfaction. The study is rooted to only one Organisation which turns out to be limitation for the study as the results will be indicative in nature for the other companies rather exhaustive for the Industry.

LITERATURE REVIEW:

Client Satisfaction is one among the leading attributes studied at the organizations. There have been several studies done in this regards and authors have contributed their thought in the books, journal, e-resources etc. The Researcher has referred few selected sources and conducted a literature review with respect to the project on Client Satisfaction. Client satisfaction has, for many years, been a core concept of the American Marketing Association's marketing definition. Giese and Cote defined client satisfaction as "identified by a response (cognitive or affective) that pertains focus and occurs at a certain time. This definition clearly indicates that client satisfaction of an individual is an outcome of the value which he/she gets by the shopping experience, which is mediated by the hedonic and utilitarian shopping benefits. Today, companies equate the pursuit and understanding of client satisfaction with having and maintaining a competitive advantage over competition. Realizing the benefits and eventual monetary gains of satisfying the client, businesses are seeing the importance of establishing and maintaining a relationship with their client. **Anish Yusaf, Neelika Arora, Anil Gupta, November (2015)**

Nowadays client satisfaction is one of the key goals in both smaller and larger organizations. In service sector it is exceptionally important because client satisfaction is probably the main “key” to a successful business, recognition and retention of clients because service processes more or less involve the client. Companies look for ways to find out clients desires but at the same time want to ensure their satisfaction with services. Therefore it is very important to clarify not only the most important determinants of client satisfaction on services but also explore which of them are the most effective. So the main issue of this work is to find out the main conceptions and factors of client satisfaction on services and its importance for organizations. Organizations did not focus as much time and attention on client service and the concept of client satisfaction. Only in the last few years, organizations started to explore more on services and their provision of development and offer to clients. Client satisfaction is defined as the presence and experience in service delivery. A client satisfaction as an emotional response to what the customer expects to receive before the service and how it assesses the client when he/she has already received. **Milland Deshpandey, June (2011)**

Client satisfaction is the extent to which clients are satisfied with their purchased goods and services. Client satisfaction is a cognitive state of the buyer about the appropriateness or inappropriateness of the reward received in exchange for the service experienced. It is an experience-based assessment made by the clients of how far his own expectations about the individual characteristics or overall functionality of the services obtained from the provider have been fulfilled. Client satisfaction can be defined using the transaction-specific perspective and cumulative perspective. The transaction-specific perspective indicated that client satisfaction is the evaluation based on the recent purchase experiences compared, with the transaction-specific perspective; the cumulative perspective stresses overall evaluations, indicating that evaluations of client satisfaction should be based on all the purchase experiences of the client, disregarding any specific purchase experience. **Nikhil Chandra Shill, M. Muzakeerul Huda, August (2013)**

Most uses of the National Client Satisfaction Index Model considered client perceptions and client expectations as the antecedents of client satisfaction. Client satisfaction was made up of three antecedents of satisfaction: Dimensional Attributes, Must-be Attributes, and Attractive Attributes. Client satisfaction is regarded as customers can get more benefits than their cost. Client satisfaction plays the most important role in total quality management. In comparison with other traditional performance measures, client satisfaction is probably less sensitive to seasonal fluctuations, changes in costs, or changes in accounting practices. Therefore, many researchers consider customer satisfaction to be the best indicator of a company’s future profit. **By Jonathan Sweedler, January (2011)**

In the contemporary global and highly competitive economy it is fatal for a business organization to be non-customer-oriented. Indeed, to survive organizations need to produce products and services of very good quality that yield highly satisfied and loyal clients. During the last four decades, satisfaction has been considered as one of the most important theoretical as well as practical issues for most marketers and client researchers. Client satisfaction is related to the size and direction of disconfirmation, which is defined as the difference between the post-purchase and post-usage evaluation of the performance of the product/service and the expectations held prior to the purchase. If clients perceived that they are obtaining additional benefits from their relationship with establishment employees, their satisfaction level with the service provider will increase. **Pradeep Manjrekar February, (2013)**

Client satisfaction on their purchase is a significant factor that leads business to success. In recent times, client satisfaction has gained new attention within the context of the paradigm shift from transactional marketing to relationship marketing. Client satisfaction is commonly related to two fundamental properties including the client's judgment of the quality of the product and his evaluation of the interaction experience he or she has made with the product provider. Marketers have used the mantra of "client satisfaction" for at least the last four decades; assuming the Marketing Concept had accurately captured a prime consumer motivator. **Adetyao J.O. February, (2013)**

Understanding client satisfaction is a key strategy consideration for most marketers. Relationship between the core constructs of consumer satisfaction and perceived quality as well as about the appropriateness of the gap approach. The measurement of service, quality and client satisfaction have received considerable attention in the last two decades. Client satisfaction is the key factor determining how successful the organization will be in maintaining a relationship with the client.

Service quality and client satisfaction are inarguably the two core concepts that are the crux of the marketing theory and practice. In today's world of intense competition, the key to sustainable competitive advantage lies in delivering high quality service that will in turn result in satisfied clients. The expectancy disconfirmation paradigm in process theory provides the grounding for the vast majority of satisfaction studies and encompasses three constructs: Expectation; Performance; Disconfirmation. Customer perceptions of the quality of a service are traditionally measured immediately after the person has consumed the service. However, the consumer's perception of a service quality at the time he or she next decides whether or not to buy service may better explain repeat buying behavior. **Zainurin Bin Dahari, Muhammad Sabbir Rahman, S. M. Ferdous Azam, May (2011)**

Companies win or lose based on what percentage of their clients they can keep. Success is largely about the retention of clients, which again depends on the CS level. Client satisfaction measurement (CSM) has become one of the commonest prescriptions to managers and organizations and comes from a wide variety of sources. Most markets are very competitive, and in order to survive, organization's need to produce products and services of a very good quality that yield highly satisfied and loyal clients. Many practitioners and researchers have investigated a range of different client attitudes that influence both intentions and behaviors related to loyalty. Client attitudes have included customer satisfaction, client value, price perceptions, the quality of the relationship and service quality. Even though quality is the key indicator, there are more elements that affect a client's attitude towards a service and a service organization. **By R. Gopal, (2012)**

Client satisfaction is an important theoretical as well as practical issue for most marketers and consumer researchers. Client satisfaction can be the essence of success in today's highly competitive world of business. Thus, the significance of client satisfaction and client retention in strategy development for a market oriented and client focused firm cannot be overstated. Client satisfaction is the feeling or attitude of client towards a product or service after it has been used and is generally described as the full meeting of one's expectation. Client satisfaction is a major outcome of a marketing activity, whereby it serves as a link between the various stages of the consumer buying behavior. **D.K. Pandya, Brajesh Kumar, Rajashree Bahttacharya, August (2012)**

Philip Kotler states that client satisfaction is the level of perception that is obtained after he/she compares the performance he/she has received with his/her expectation. Many studies show one definition, which is often referred to in the marketing literature, is the definition based on disconfirmation paradigm. Based on that paradigm, the client is defined as post-purchase evaluation, where the perception towards the performance of selected alternatives goods/services fulfills or even exceeds the expectation before purchasing. If the perception towards performance can't fulfill the expectation, dissatisfaction will then occur. As such, dissatisfaction is considered a bipolar opposite against satisfaction. Basically, client satisfaction and dissatisfaction with products will influence the subsequent consumer behavioral intentions. This is shown by client after a purchase has been made. If the client is satisfied, he will demonstrate the big possibility to repurchase the same products. Satisfied client also tend to give good worth of mouth publicity about the products to other people. **By Manju Malik, February (2012)**

Clients are most concerned with quality, service and value. All of these constitute competitive opportunities in markets where they are lacking. However, we are noticing that many companies and industries are rapidly improving their quality, service and value. Consequently, these benefits are becoming normal expectations rather than distinctive winning attributes. Now design, speed, and customization are becoming more critical in influencing customer's choice. Depending on the industry and product type, market leaders will find further attributes and benefits that they can turn into salient and compelling differentiators. **Philip Kotler, (2005)**

Clients are very typical of the population at large and are prone to the same irrational beliefs and interpretations. Conducting client satisfaction survey can be an emotive issue. Traditionalists may argue that it is not ethical to canvass views from clients about their opinion of the firm. In an ever more competitive world, it is important to know how well clients are being served, from their perception. May be adverse comments will be received anyway by the firm but brickbats are easier to throw than accolades. A real client opinion poll will reveal a wealth of ideas about issues of specific interest to the firm. Praise may be given; then successful strategies can be developed further. Complaints and grumbles can be painful but should precipitate corrective actions. **James Alexander, (1992)**

ANALYSIS OF THE STUDY ON CLIENT SATISFACTION

TABLE NO: 1 Chemical Products purchased by clients of different companies		GRAPH NO: 1 Different company preferred and found reliable by clients													
PARTICULARS	% OF RESPONDENTS	<table border="1"> <caption>Data for Graph NO: 1</caption> <thead> <tr> <th>Company</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>ASTERIX</td> <td>63</td> </tr> <tr> <td>JATIN</td> <td>17</td> </tr> <tr> <td>SATYAM</td> <td>10</td> </tr> <tr> <td>CREST</td> <td>7</td> </tr> <tr> <td>OTHERS</td> <td>3</td> </tr> </tbody> </table>		Company	Percentage	ASTERIX	63	JATIN	17	SATYAM	10	CREST	7	OTHERS	3
Company	Percentage														
ASTERIX	63														
JATIN	17														
SATYAM	10														
CREST	7														
OTHERS	3														
YES	100														
NO	0														

TABLE NO: 2 Product purchased from Asterix by different clients

PARTICULARS	% OF RESPONDENTS
UPR	33
CSM	23
CCR	30
IGC	14

GRAPH NO: 2 Factor considered by client when purchasing



TABLE NO: 3 How much important is price for client when purchasing Asterix product

PARTICULARS	% OF RESPONDENTS
Extremely Likely	13
Very Likely	23
Moderately	47
Slightly	13
Not At All	4

GRAPH NO: 3 How long client has been associated with Asterix

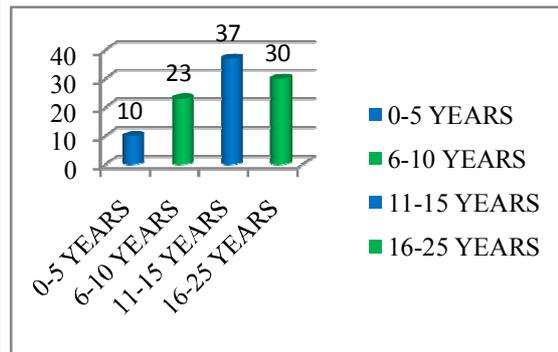


TABLE NO: 4 Any new products of Asterix will client recommend to other

PARTICULARS	% OF RESPONDENTS
EXTREMELY LIKELY	20
VERY LIKELY	43
MODERATELY	23
SLIGHTLY	14
NOT AT ALL	0

TABLE NO: 5 Quality of existing product of Asterix

PARTICULARS	% OF RESPONDENTS
VERY GOOD	43
GOOD	40
AVERAGE	17
BAD	0
VERY BAD	0

GRAPH NO : 4 Advertisement effect on client's choice

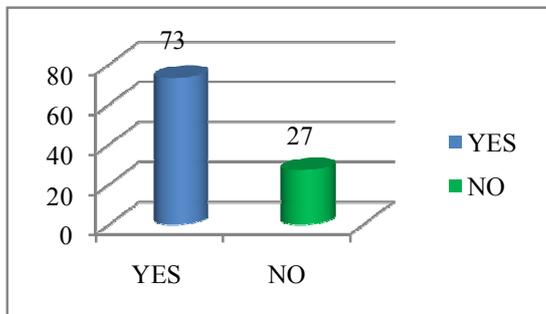


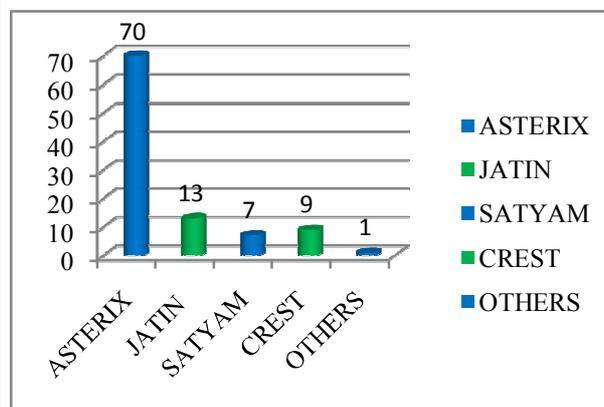
TABLE NO: 6 Source of advertisement attracts the clients

PARTICULARS	% OF RESPONDENTS
WEBSITE	73
MAGAZINES	3
NEWSPAPER	10
HOARDINGS	14

TABLE NO: 7 Clients rating to quality of customer service in Asterix

PARTICULARS	% OF RESPONDENTS
VERY POSITIVE	37
SOMEWHAT POSITIVE	40
NEUTRAL	23
NEGATIVE	0
VERY NEGATIVE	0

GRAPH NO: 5 Company founded more satisfactory by client to deal



FINDINGS OF THE STUDY:

The author based on the analysis has come up with the following findings:

- ✓ The study states that 100% clients are using the chemical product from different Company for use it in industrial work. **(Table No. 1)**
- ✓ The study reflects that the 63% clients prefer the Asterix Company to deal with rather than Jatin, Creast, Satyam chemical companies, and chemical market is very highly competitive in Silvassa region. **(Graph No. 1)**
- ✓ The study states that UPR & CCR is the highest selling chemical product in the market which is 33% and 23%, which shows the shows the these two chemical is in the high demand in industrial market. **(Table No. 2)**
- ✓ The study states that 53% clients consider quality when they are purchasing any chemical product which shows that clients are more conscious about the quality of any chemical product. **(Graph No. 2)**

- ✓ The study reflects that price of any chemical product does matter for 36% client and price it does not matter for almost 74%, because of clients want chemical product with good quality. **(Table No. 3)**
- ✓ The study reflects that 37% clients are associated with Asterix from last 11-15 years and 30% clients associated with this company from last 16-25 years which shows that clients consider this company more better than other companies. **(Graph No. 3)**
- ✓ The study states that 63% clients recommend chemical product of Asterix to others industrial chemical users which shows that current client of Asterix are satisfied with the chemical product. **(Table No. 4)**
- ✓ The study states that overall 83% client of Asterix Company is satisfied with the product service which shows that Asterix company is providing good services to their clients. **(Table No. 5)**
- ✓ The study states that advertisement of company effect the choice of clients as 73% of respondents believe the same which shows that advertisement plays very important role to change respondent's behavior. **(Graph No. 4)**
- ✓ The study states that 73% clients are get attracted with the website of company and other clients are get attract with the newspaper, hoardings and magazines which shows that websites plays vital role for advertisement of company. **(Table No. 6)**
- ✓ The study reflects that 77% clients are satisfied with the customer service of Asterix, which shows that overall quality of Asterix customer service is very well which will help to increase satisfactory level of respondents. **(Table No. 7)**
- ✓ The study reflects that the 70% clients found Asterix Company more satisfactory to deal rather than the Jatin, Satyam, Creast chemical companies. **(Graph No. 5)**

CONCLUSION:

- ✓ The Researcher has done the project at **ASTERIX REINFORCED LTD.** in the field of marketing management with the topic **“Client Satisfaction with Special Reference to ASTERIX REINFORCED LTD”**.
- ✓ The researcher found that majority of the respondents came to know about the product demand of Asterix Company is very high in the market rather than other companies which shows the popularity of company.
- ✓ The project has supported the Researcher to understand the need of clients and environment of chemical industry.
- ✓ The study leads to understand the overall clients of Asterix Company and all the Clients of Asterix Company are highly satisfied with the product and services of the organization.

ADDENDUM:

List of Tables, Graphs

Figure No.	Minutiae
Table 1	Do you purchase chemical product
Graph 1	Which company do you prefer
Table 2	Which product you are purchasing from Asterix
Graph 2	Which factor do you consider while purchasing
Table 3	How important is price to you while purchasing
Graph 3	How long you have been associated with Asterix
Table 4	Would you recommend Asterix product to others
Table 5	How is the quality of existing product
Graph 4	Does advertisement effect on your choice
Table 6	Which source of advertisement attracts you
Table 7	Would you rate the quality of customer service
Graph 5	Which company would you find more satisfactory

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THE EFFECT OF DIGITAL MARKETING COMMUNICATION ON BUYING BEHAVIOUR OF YOUTHS

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ABSTRACT

Digital marketing is the utilization of electronic media by the marketers to promote the products or services into the market. The main objective of digital marketing is attracting customers and allowing them to interact with the brand through digital media

This article focuses on the importance of digital marketing for both marketers and consumers this study attempts to analyze the features related to the buying behaviour of digital shoppers.

Consumer buying behaviour in respect of digital shopping was studied using different socio-economic variables

This study has described various forms of digital marketing, effectiveness of it and the impact it has on firm's sales and consumers. The examined sample consists of thirty people which have been randomly selected to prove the effectiveness of digital marketing. Collected data has been analyzed with the help of various statistical tools and techniques like Questioner.

Keywords: Digital Marketing, Promotion, Effectiveness, Customer Reach

INTRODUCTION

Digital marketing is one type of marketing being widely used to promote products or services and to reach consumers using digital channels. It includes mobile phones (both SMS and MMS), social media marketing, display advertising, search engine marketing and many other forms of digital media. Through digital media, consumers can access information any time and any place where they want. With the presence of digital media, consumers do not just rely on what the company says about their brand but also they can follow what the media, friends, associations, peers, etc., are saying as well. Digital marketing is a broad term that refers to various promotional techniques deployed to reach customers via digital technologies. According to a study, "About 44 percent students use Internet in India and overall 72% of Young people access Internet on regular basis. Due to the vast usage Internet, the buying patterns have been changed. It has changed the way goods are purchased and sold, resulting to the exponential growth in the number of digital shoppers (<https://scholar.google.co.in/scholar?q=Effectiveness-of-Digital-Marketing-in-the-Challenging-Age-An-Empirical->, 2017).

DETAILED FEATURES OF DIGITAL MARKETING

It is based on the notion of elastic time. It can be accessed from anywhere. One can assess numerous digital shopping stores at a time. Assessment can be made in real time.

There is rider of alternate of product if it is not as per the requirement of the customer

E-Marketing began with the use of telegraphs in the nineteenth century. With the invention and mass acceptance of the telephone, radio, television, and then cable television, electronic media has become the dominant marketing force. McDonald's uses online channel to reinforce brand messages and relationships. They have built online communities for children,

such as the Happy Meal website with educative and entertaining games to keep customers always close to themselves. (<https://www.coursehero.com>, 2017)

Social media marketing is one important technique in digital marketing as companies can use social media form to distribute their messages to their target audience without paying for the publishers or distributor that is characteristic for traditional marketing. Digital marketing, electronic marketing, e-marketing and Internet marketing are all similar terms which, simply put, refer to “marketing online whether via websites, online ads, opt-in emails, interactive kiosks, interactive TV or mobiles”

The main objective of this paper is to identify the effectiveness of digital marketing in the competitive market. The supportive objectives are following:

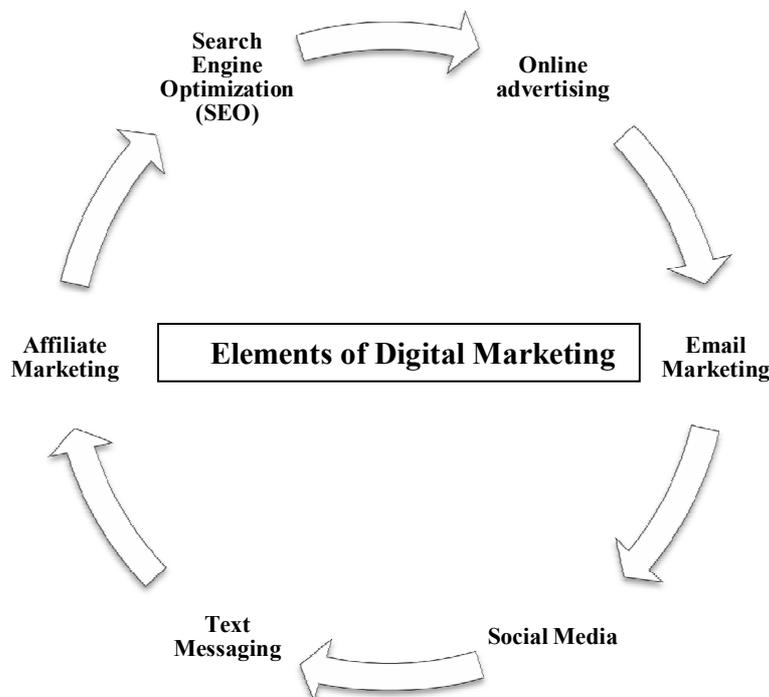
To show the various elements of digital marketing;

To focus on the basic comparison between traditional and digital marketing; (https://en.wikipedia.org/wiki/Consumer_behaviour, 2017)

VARIOUS ELEMENTS OF DIGITAL MARKETING

There are various elements by which digital marketing is formed. All forms operate through electronic devices. The most important elements of digital marketing are newly formed tools by which the sales force is increased by companies by using it strategically to enhance sales & gain growth in the competitive business world. Elements not only define the product but also the tool & targeted customers accordingly. Further we have discussed the various elements which play an important role in the long term growth of any firm in the fields of sales & service. (<https://www.marketo.com/digital-marketing/>, 2017)

Various elements of digital marketing are listed below.



➤ **Online advertising**

Online advertising is a very important part of digital marketing. It is also called internet advertising through which company can deliver the message about the products or services. Internet-based advertising provides the content and ads that best matches to consumer interests. Publishers put about their products or services on their websites so that consumers or users get free information. Advertisers should place more effective and relevant ads online. Through online advertising, company well controls its budget and it has full control on time.

➤ **E-mailMarketing**

When message about the products or services is sent through E-mail to the existing or potential consumer, it is defined as E-mailmarketing. Direct digital marketing is used to send ads, to build brand and customer loyalty, to build customer trust and to make brand awareness. Company can promote its products and services by using this element of digital marketing easily. It is relatively low cost comparing to advertising or other forms of media exposure. Company can bring complete attention of the customer by creating attractive mix of graphics, text and links on the products and services.

➤ **Social Media**

Today, social media marketing is one of the most important digital marketing channels. It is a computer-based tool that allows people to create, exchange ideas, information and pictures about the company's product or services. According to Nielsen, internet users continue to spend more time with social media sites than any other type. Social media marketing networks include Facebook, Twitter, LinkedIn and Google+. Through Facebook, company can promote events concerning product and services, run promotions that comply with the Facebook guidelines and explore new opportunities. Through Twitter, company can increase the awareness and visibility of their brand. It is the best tool for the promotion of company's products and services. In LinkedIn, professionals write their profile and share information with others. Company can develop their profile in LinkedIn so that the professionals can view and can get more information about the company's product and services. Google+ is also social media network that is more effective than other social media like Facebook, Twitter. It is not only simple social media network but also it is an authorship tool that links web-content directly with its owner.

➤ **Text Messaging.**

It is a way to send information about the products and services from cellular and smart phone devices. By using phone devices, company can send information in the form of text (SMS), pictures, video or audio (MMS). Marketing through cell phone SMS (Short Message Service) became increasingly popular in the early 2000s in Europe and some parts of Asia. One can send order confirmations, shipping alerts using text message. Using SMS for campaigns get faster and more substantial results. Under this technique, companies can send marketing messages to their customers in real-time, any time and can be confident that the message will be seen. Company can create a questionnaire and obtain valuable customer feedback essential to develop their products or services in future.

➤ **Affiliate Marketing:**

Affiliate marketing is a type of performance-based marketing. In this type of marketing, a company rewards affiliates for each visitor or customer they bring by marketing efforts they create on behalf of company. Industry has four core players: the merchant (also known as

“retailer” or “brand”), the network, the publisher (also known as “the affiliate”) and the customer. The market has grown in such complexity resulting in the emergence of a secondary tier of players including affiliate management agencies, super-affiliates and specialized third party vendors. There are two ways to approach affiliate marketing: Company can offer an affiliate program to others or it can sign up to be another business’s affiliate. If company wants to drive an affiliate program, then, the company owner has to pay affiliates a commission fee for every lead or sale they drive to company’s website. Company’s main goal here is to find affiliates who can reach untapped markets. For example, a company with an e-zine may become a good affiliate because its subscribers are hungry for resources. So, introducing one’s offer through “trusted” company can grab the attention of prospects which might not have otherwise reached.

➤ **Search Engine Optimization (SEO)**

Search engine optimization (SEO) is the process of affecting the visibility of a website or a web page in a search engine’s “natural” or un-paid (“organic”) search results. In general, the earlier (or higher ranked on the search results page), and more frequently a website appears in the search result list, the more visitors it will receive from the search engine users. SEO may target different kinds of search including image search, local search, video search, academic search, news search and industry-specific vertical search engines

➤ **Pay Per Click (PPC)**

Pay-per-click marketing is a way of using search engine advertising to generate clicks to your website rather than “earning” those clicks organically. Pay per click is good for searchers and advertisers. It is the best way for company’s ads since it brings low cost and greater engagement with the products and services.

Objectives of the study

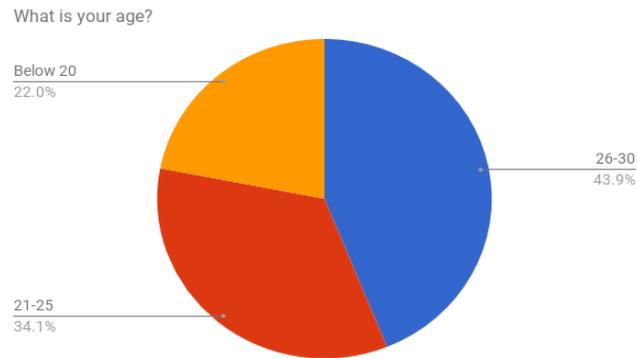
1. To analyse the buying choice & preference of customers.
2. To analyse the various selection areas of buyers.
3. To understand the monthly expenses for buying.
4. To analyse the views & behaviour of buyers on basis of various elements of marketing.

RESEARCH METHODOLOGY

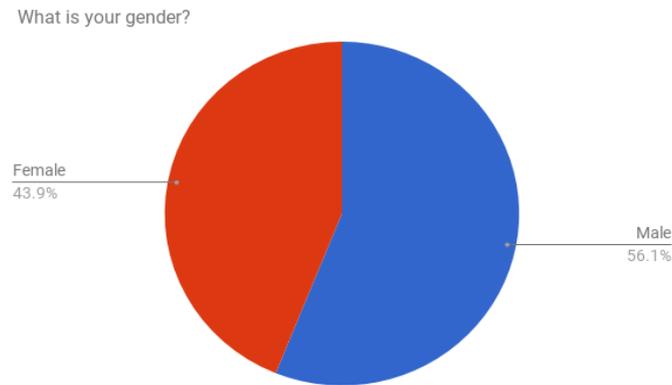
The research is based on primary data collected in form of questionnaires from various respondents. The results are based on their individual responses. In all 40 respondents have been a part of this survey & results have been drawn on the basis of outcomes.

Following are outcomes of the question with the detailed results on pie-charts & bar graphs.

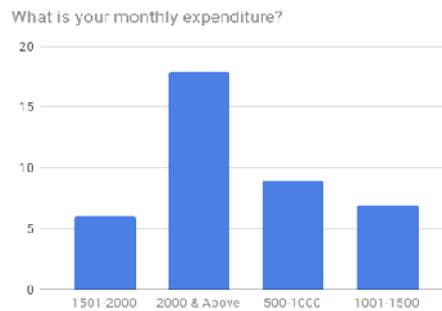
1) What is your age?



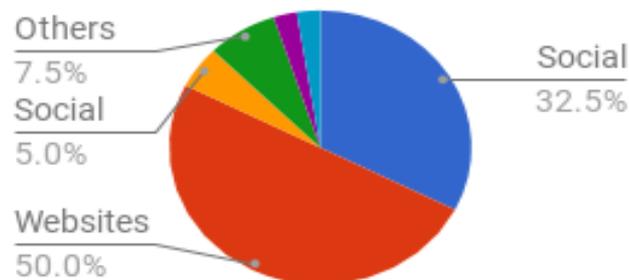
2) What is your gender?



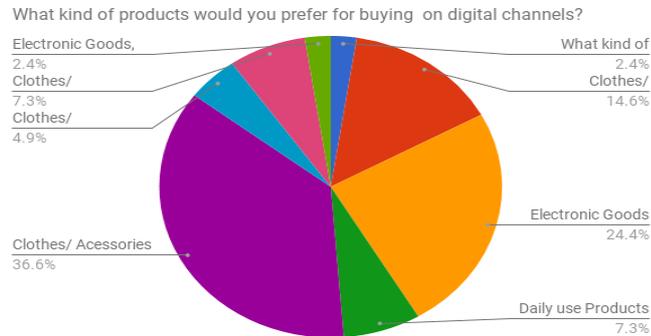
3) What is your Monthly Expenditure?



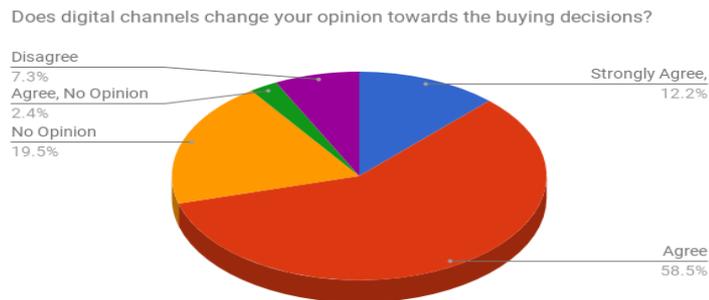
4) Which of the following digital channel are you aware of for buying products?



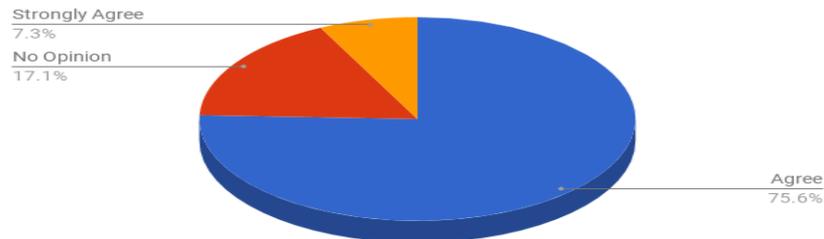
5) What kind of products would you prefer for buying on digital channels?



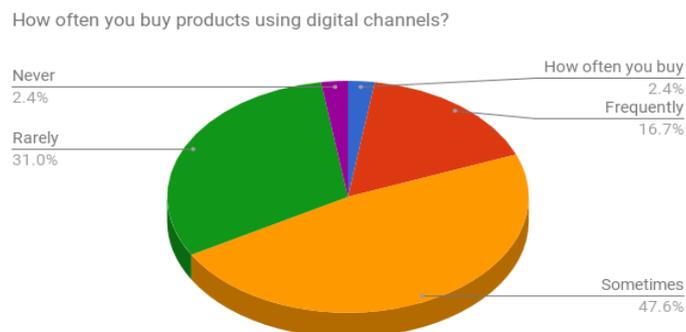
6) Does a digital channel change your opinion towards the buying decisions?



7) Are you satisfied with the product bought using digital channels?



8) How often you buy products using digital channels?



9) What is the reason for buying products through digital channel?



DATA ANALYSIS AND CONCLUSION

- Form the above mentioned results; we can see that youths are spending more than 2,000 on an average on monthly basis.
- 50% of youths are still aware of e-commerce sites for buying products.
- Almost 1/3rd of the youths still prefer digital channel for buying clothes & accessories.
- More than 75% still agree for buying products online which means that they trust in online products.
- Major reason which contributes for buying online products is variation in products.

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ASSESSMENT OF TECHNO-ECONOMIC AND ALLOCATIVE EFFICIENCIES OF PEARL MILLET IN WESTERN MAHARASHTRA THROUGH DATA ENVELOPMENT ANALYSIS

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Abstract

Agriculture continues to dominate the economic scene of India, accounting for about one-third of Gross Domestic Product and one-fifth of foreign exchange. This sector provides employment to more than 70 per cent of the total labour force in the country. Furthermore, its forward and backward linkages with other sectors of the economy are well established. Reform measures implemented in the industrial, financial and trade sectors would definitely contribute to the agricultural growth through agricultural prices and income. The present investigation viz., "Assessment of Techno-economic and Allocative Efficiencies of Pearl millet in Western Maharashtra through Data Envelopment Analysis" is an attempt to study the resource use structure, resource use gap and costs and returns structure, to estimate the economic, technical, and allocative efficiencies, to estimate the extent of reduction in level of inputs at existing levels of output and to estimate the extent of reduction in input cost of production at existing levels of output. The present investigation was conformed to the database of the cpmcc scheme.

The sample farms in different villages spread over 10 districts of Western Maharashtra were considered for the present study. At the overall level, the use levels of total family labour, bullock labour, machine labour, seed, organic manure and output was decreased over the different size group of holdings on pearl millet farms. The proportionate gap between the actual and recommended use levels of organic manures was maximum and it was 88.66 per cent at the overall level, it was mainly due to unavailability of FYM. The net returns per rupee invested were in the range of 1.13 to 1.18 which were increased as increase in size of farms. Technical efficiencies on small, medium and large pearl millet farms were 0.985, 0.970 and 0.981, respectively. Allocative and economic efficiency showed that, only one farm was economically and allocative efficient. Cost minimizing input quantities revealed that small, medium and large pearl millet farms could reduce its cost by 56.30, 65.40 and 55.00 per cent, respectively by choosing a more cost efficient input mix for allocatively efficient farms. The mean extent of reduction in input cost of production on small pearl millet farms was `2935.69, while on medium farms it was `3248.81 and on large farms it was `2622.61 by using a new cost efficient input mix.

Agriculture continues to dominate the economic scene of India, accounting for about one-third of Gross Domestic Product and one-fifth of foreign exchange. This sector provides employment to more than 70 per cent of the total labour force in the country. Furthermore, its forward and backward linkages with other sectors of the economy are well established. Reform measures implemented in the industrial, financial and trade sectors would definitely contribute to the agricultural growth through agricultural prices and income. However, various non-price

institutional and organizational factors are also important for the sustainability of agricultural growth. For instance, the efficiency of production is extremely important for output growth by using existing resources in the best possible manner and it would yield the highest possible output for the given technological constraints. There has been gradual decline in the area of pearl millet and it has decreased from 114.69 lakh hectares in 1960-61 to 89 lakh hectares in 1999-00 at an average annual rate of 0.57 per cent. On the contrary despite wide fluctuations its production has increased at an average annual rate of 1.89 per cent during these years. This was due to more use of HYV seeds and higher input facilities. Maharashtra occupies second place in respect of area (20.36%) and first place in respect of production of pearl millet (24.74%) in the country. The crop is grown in the hilly and dry areas of the central plateau on poor soils in the districts of Nasik, Dhule, Satara, Pune, Sangli, Aurangabad, Solapur, Jalgaon, Ahmadnagar. The Government of Maharashtra started the scheme for 'Creating Permanent Machinery for studying the Cost of Cultivation of Principal Crops in Maharashtra state' in the year 1979.

The present investigation viz., "Assessment of Techno-economic and Allocative Efficiencies of Pearl millet in Western Maharashtra through Data Envelopment Analysis" is an attempt to study the resource use structure, resource use gap and costs and returns structure, to estimate the economic, technical, and allocative efficiencies, to estimate the extent of reduction in level of inputs at existing levels of output and to estimate the extent of reduction in input cost of production at existing levels of output.

METHODOLOGY

CPMCC scheme has proved to be successful in providing the sufficient database for various aspects of cost of cultivation and formulation of appropriate agricultural price policies. The present investigation was conformed to the database of the said scheme. The sample farms in different villages spread over 10 districts of Western Maharashtra were considered for the present study.

As such, the sampling design adopted in the scheme consisted of three stage stratified random sampling with homogeneous crop growing zones as strata, tahsil as a primary unit, a cluster of villages as secondary unit and land holding within the cluster as an ultimate unit of sampling. The study covers quite a substantial number of holdings selected by adopting a scientific sampling technique, keeping in view of maintaining the adequate sample size. The crop complex as well as individual crop approach was adopted in collection of data under the scheme.

Input utilization on pearl millet farms.

The resource use structure of pearl millet farms presented in Table 1 revealed that, at the overall level, the use levels of total family labour, bullock labour, machine labour, seed, organic manure and output was decreased over the different size group of holdings on pearl millet farms. It is because of the economies of scale in cultivation of pearl millet. The use of hired labour i.e. both male and female labour was more on medium farms, also the higher use of nitrogenous and potash fertilizers was more on medium farms.

Table 1 Input utilization on pearl millet farms.

(Per ha)

Sr. No.	Particulars	Size group			
		Small	Medium	Large	Overall
A	Inputs				
1	Area (ha)	12.22	18.26	29.26	59.74
2	Total Hired Labour (man-days)	34.49	44.25	39.44	39.90
	a) Male	12.20	14.20	13.29	13.35
	b) Female	22.28	30.04	26.15	26.55
3	Total Family Labour (man-days)	31.78	21.83	21.72	23.81
	a) Male	13.68	12.79	11.49	12.33
	b) Female	18.10	9.04	10.23	11.47
4	Bullock Power (pair-day)	5.38	4.77	4.08	4.56
5	Machine Power (hr)	10.64	9.27	7.80	8.83
6	Seed (kg/ha)	3.93	3.92	3.83	3.88
7	Organic manure (q)	6.35	6.32	4.89	5.63
8	Nitrogen (kg)	43.62	47.01	41.91	43.82
9	Phosphorus (kg)	18.04	14.58	15.04	15.51
10	Potassium (kg)	3.43	6.46	5.31	5.28
11	Output- yield (q/ha)	16.38	16.04	15.16	15.68
B	Price of Inputs				
1	Wage (₹/day)				
	a) Male	94.17	100.95	98.87	98.59
	b) Female	79.96	82.04	84.63	82.42
2	Bullock Power (₹/pair-day)	460.38	470.79	500.12	481.20
3	Mechanical Power (₹/hr)	20.55	21.03	22.68	21.63
4	Seed price (₹/kg)	134.06	141.81	137.47	138.10
5	Organic manure (₹/q)	134.65	109.98	108.39	114.97
6	Nitrogen (₹/kg)	13.89	12.82	14.52	13.84
7	Phosphorus (₹/kg)	20.14	16.59	21.69	19.86
8	Potassium (₹/kg)	12.43	7.58	9.39	9.12
	Price of output (₹/q)	987.20	999.98	984.30	989.81

Resource use gap on pearl millet farms.

The information given in Table 2 makes it clear that, at the overall level, all the inputs used for pearl millet cultivation were below the recommendation. At the overall level gap in use of seed was 3.02 per cent. The proportionate gap between the actual and recommended use levels of organic manures was maximum and it was 88.66 per cent at the overall level, it was mainly due to unavailability of FYM. Among the plant nutrients viz; NPK the percentage gap was more in phosphorus fertilizers (78.91%) followed by potash fertilizers (37.96%) and nitrogen fertilizers (12.37%), it might be due to use of mixed fertilizers by the pearl millet cultivators. The percentage gap in the yield was noticed to the extent of 47.73 per cent.

Table 2 Resource use gap on pearl millet farms.

(Per hectare)

Sr. No.	Particulars	Size group			
		Small	Medium	Large	Overall
I	Seed (kg)				
a	Recommended	4.00	4.00	4.00	4.00
b	Actual use	3.93	3.92	3.83	3.88
c	Gap	0.07	0.08	0.17	0.12
d	Per cent gap	1.75	2.00	4.25	3.00
II	Organic manure (qtls)				
a	Recommended	50.00	50.00	50.00	50.00
b	Actual use	6.35	6.32	4.89	5.67
c	Gap	43.65	43.68	45.11	44.33
d	Per cent gap	87.31	87.35	90.22	88.66
III	Nitrogen (kg)				
a	Recommended	50.00	50.00	50.00	50.00
b	Actual use	43.62	47.01	41.91	43.82
c	Gap	6.38	2.99	8.09	6.18
d	Per cent gap	12.75	5.97	16.19	12.37
IV	Phosphorus (kg)				
a	Recommended	25.00	25.00	25.00	25.00
b	Actual use	18.04	14.58	15.04	15.51
c	Gap	6.96	10.42	9.96	9.49
d	Per cent gap	27.85	41.68	39.83	37.96
V	Potash (kg)				
a	Recommended	25.00	25.00	25.00	25.00
b	Actual use	3.43	6.46	5.31	5.27
c	Gap	21.57	18.54	19.69	19.73
d	Per cent gap	86.28	74.16	78.76	78.91
VI	Yield (qtls)				
a	Recommended	30.00	30.00	30.00	30.00
b	Actual use	16.38	16.04	15.16	15.68
c	Gap	13.62	13.96	14.84	14.32
d	Per cent gap	45.40	46.53	49.46	47.73

Costs and returns structure on pearl millet farms.

At the overall level, the per hectare returns over Cost 'C' was `2203.26, `2561.26 and `2614.11, on small, medium and large farms, respectively, while at the overall level net profit was `2513.92. The net returns per rupee invested were in the range of 1.13 to 1.18 which were increased as increase in size of farms. It is inferred from these results that, pearl millet cultivation on small size farms was less profitable as compared to those on medium and large sized farms.

Table 3 Costs and returns structure on pearl millet farms.

(Per ha)

Sr. No.	Particulars	Size group			
		Small	Medium	Large	Overall
1	Total cost				
	i) Cost 'A'	10578.43	10335.89	9292.72	9874.57
	ii) Cost 'B'	14627.45	14094.49	12702.42	13521.69
	iii) Cost 'C'	17230.46	16087.27	14679.20	15631.45
2	Profit at				
	i) Cost 'A'	8855.28	8312.63	8000.59	8270.80
	ii) Cost 'B'	4806.26	4554.03	4590.90	4623.68
	iii) Cost 'C'	2203.26	2561.26	2614.11	2513.92
4	Gross income	19433.72	18648.52	17293.32	18145.37
5	B:C ratio				
	i) Cost 'A'	1.84	1.80	1.86	1.84
	ii) Cost 'B'	1.33	1.32	1.36	1.34
	iii) Cost 'C'	1.13	1.16	1.18	1.16

Technical efficiency on Pearl millet farms under constant returns to scale.

The average technical efficiencies for three years together for each size group for the Pearl millet have been worked out and presented in Table 3.

Table 3 Technical efficiency of Pearl millet under constant returns to scale assumption.

Sr. No.	Crop	Size group		
		Small farm	Medium farm	Large farm
1	Pearl millet	0.985	0.970	0.981

The results obtained from triennium averages of the three years i.e. from 2009-10 to 2011-12 revealed that the average technical efficiency on small, medium and large farms of pearl millet was 0.985, 0.970 and 0.981, respectively. In case of small farms, technical efficiency was 0.985 means these farms should be able to reduce the consumption of all inputs by 1.50 per cent without reducing the output, medium farms technical efficiency was 0.970 means these farms should be able to reduce the consumption of all inputs by 3.00 per cent without reducing the output while large farms technical efficiency was 0.981 means these farms should be able to reduce the consumption of all inputs by 1.90 per cent without reducing the output.

Technical efficiency score for Pearl millet farms

Technical efficiency score on pearl millet farms under constant returns to scale for the triennium average of the years 2009-10, 2010-11 and 2011-12 are presented in Table 4

It can be inferred that about 95 per cent selected pearl millet farms in Western Maharashtra were technically efficient during study period and not a single farm was found below technical efficiency of 0.500.

Table 4 Technical efficiency score on pearl millet farms under constant returns to scale assumption.

Efficiency score	Size group		
	Small farms	Medium farms	Large farms
0.000 - 0.300	0	0	0
0.301 - 0.500	0	0	0
0.501 - 0.700	0	1	0
0.701 - 0.900	2	3	2
0.901 - 1.000	28	26	28
Total	30	30	30

Input slacks under constant returns to scale assumption

The detailed summary of input slacks on small, medium and large farms of pearl millet under constant returns to scale assumption is presented in Table 5

The average technical efficiencies of all categories on pearl millet farms for the three years of study period were in the range of 0.970 to 0.986 and these figures of technical efficiencies indicated that resources were used slightly excessive, this picture depicted in the result. The inputs like seed organic manure and potassic fertilizer were used optimally as there was no excess use of these two inputs on selected farms

Table 5 Input slack on pearl millet farms under constant returns to scale assumption.

Sr. No.	Inputs	Size group		
		Small	Medium	Large
1	Technical efficiency	0.986	0.970	0.981
2	Hired human labour			
	a) Male	1.16	4.97	1.23
	b) Female	0.49	6.88	1.70
3	Bullock labour	0.57	1.15	2.97
4	Machine labour	0.17	0.47	0.11
5	Seed	0.04	0.04	0.05
6	Organic manure	0.17	0.69	0.61
7	Fertilizers			
	a) N	1.46	1.40	2.10
	b) P	1.05	1.94	0.36
	c) K	0.40	0.91	0.32
8	Family human labour			
	a) Male	1.52	1.35	1.81
	b) Female	2.91	1.18	1.61

Technical efficiency under CRS, technical efficiency under VRS and scale efficiency

The technical efficiency was worked by all the three ways for different size groups of holdings for Pearl millet was presented in table 6

All the pearl millet farms were technically as well as scale efficient, while technical efficiency under constant returns to scale ranges between 0.970 to 0.986 and technical efficiency under variable returns to scale considered that farms were more technically efficient than VRSTE in the range of 0.982 to 0.992. Small farms under variable returns to scale observed highly technically efficient.

Table 6 Technical efficiency under CRS, VRS and Scale efficiency on pearl millet

Crop/Group	Technical efficiency		
	Constant Returns to Scale (CRS)	Variable Returns to Scale (VRS)	Scale
Pearl millet			
Small	0.986	0.992	0.993
Medium	0.970	0.982	0.987
Large	0.981	0.989	0.992

Technical and scale efficiency score under variable returns to scale on Pearl millet farms.

The technical efficiency and scale efficiency score on pearl millet farms under VRS assumption for different size group of holdings are presented in Table 7

Table 7 Technical and scale efficiency score on pearl millet farms under variable returns to scale.

Efficiency score	Size group					
	Small farms		Medium farms		Large farms	
	Technically efficient farms	Scale efficient farms	Technically efficient farms	Scale efficient farms	Technically efficient farms	Scale efficient farms
0.000 - 0.300	0	0	0	0	0	0
0.301 - 0.500	0	0	0	0	0	0
0.501 - 0.700	0	0	0	0	0	0
0.701 - 0.900	1	1	2	1	1	1
0.901 - 1.000	29	29	28	29	29	29
Total	30	30	30	30	30	30

Efficiency score above 0.501 indicates that all the farms of pearl millet were technical and scale efficient under variable returns to scale. Thus, the size group of holding has not affected by the technical efficiency of selected pearl millet farms.

Allocative and economic efficiencies on pearl millet farms.

Table 8 Allocative and economic efficiencies on Pearl millet farms.

Year/Crop	Size group								
	Small Farm			Medium Farm			Large Farm		
	TE	AE	CE	TE	AE	CE	TE	AE	CE
Pearl millet	0.986	0.437	0.430	0.970	0.346	0.337	0.981	0.450	0.442

Note: TE = Technical efficiency, CE = Cost efficiency (Economic efficiency), AE = Allocative efficiency = CE/TE.

It was observed from table 8 that all the pearl millet farms were technical efficient, and due to improper allocation of that resources the average allocative and economic efficiency of all the pearl millet farms were below 0.501 means it was inefficient.

Allocative and economic efficiency score on Pearl millet farms.

Detail frequencies of the allocative and economic efficiency score on pearl millet farms were depicted in Table 9.

It can be clearly noted that out of 30 farms, 1 AE and 1 EE farms lies in highly allocatively and economically efficient zone of 0.901-1.000. Efficiency scores on medium farms noted that only one farm lies in the highly allocatively and economically efficient zone of 0.901-1.000.

While large farms allocative and economic efficiency score represent that 7 farms have AE and 8 farms have EE between 0.000-0.300, 11 farms have AE and EE between 0.301-0.500, 7 farms have AE and EE between 0.501-0.700 and 4 farms have AE and 3 farms have EE between 0.701-0.900.

Table 9 Allocative and economic efficiency score on pearl millet farms.

Efficiency score	Size group					
	Small farms		Medium farms		Large farms	
	AE	EE	AE	EE	AE	EE
0.000-0.300	10	10	13	14	7	8
0.301-0.500	9	9	9	9	11	11
0.501-0.700	9	8	6	5	7	7
0.701-0.900	1	2	1	1	4	3
0.901-1.000	1	1	1	1	1	1
Total	30	30	30	30	30	30

Note: AE=Allocatively efficient, EE= Economically efficient

Estimated possible reduction in cost by using optimal input quantities on pearl millet farms.

The reduction in cost of production of pearl millet is possible on farms, which are allocatively inefficient. The estimated figures of reduction in cost by using optimal input quantities for obtaining a given level of output on pearl millet farms for the year 2009-10 to 2011-12 are given in Table 10

Among the three size groups of holdings, mean extent of reduction in input cost of production or cost minimization on small pearl millet farms has been found to be `2935.69 (16.26%) by using a new cost efficient input mix.

While on medium farms and the mean extent of reduction in input cost of production found to be `3248.81 (20.08%) and on large pearl millet farms the mean extent of reduction in input cost of production was `2622.61(16.90%). The results of extent of reduction in input cost on pearl millet farms were in the range of 16.26 to 20.08 per cent it means there was scope of reduction in input cost up to 20 per cent in the pearl millet farms, so if farmers have used the inputs allocatively, the per cent cost reduction was 20 per cent means 20 per cent income should be increased in the pearl millet farms.

Table-10 Estimated possible reduction in cost by using optimal input quantities on pearl millet farms.

(Per`/ha)

Sr. No.	Input	Size group		
		Small	Medium	Large
1	Allocative efficiency	0.437	0.346	0.45
2	Area	119.55	456.74	144.43
3	Total hired labour	2256.48	1692.82	1901.59
	a) Male	440.94	634.41	785.81
	b) Female	1815.54	1058.41	1115.78
4	Bullock labour	244.07	1377.74	772.68
5	Machine labour	30.75	15.37	33.85
6	Seed	17.73	31.66	57.49
7	Organic manure	-314.57	209.57	-201.43
8	Fertilizers			
	a) N	-83.02	294.65	98.88
	b) P	66.49	205.14	-6.81
	c) K	164.93	40.67	30.24
9	Total family labour	161.72	-1075.56	-208.3
	a) Male	-181.61	-174.81	-292.58
	b) Female	343.33	-900.75	84.28
10	Total human labour	2418.2	617.26	1693.29
11	Total Cost reduction	2935.69	3248.81	2622.61
	Percentage cost reduction	16.26	20.08	16.90

Summary and conclusion

- i. At the overall level, the use of total family labour, bullock labour, machine labour, seed, organic manure and output was decreased over the different size group of holdings on pearl millet farms. It is because of the economies of scale in cultivation of pearl millet. The use of hired labour i.e. both male and female labour was more on medium farms, also the higher use of nitrogenous and potash fertilizers was more on medium farms.
- ii. The cost of cultivation of pearl millet was `15631.45/ha while gross were `18145.37/ha. The net profit at Cost 'C' was `2513.92/ha and B:C ratio was 1.16.
- ii. In case of resource use gap, of pearl millet, all inputs were used below the recommended, as a result the yield was also lower than the recommended and the gap was 47.73 per cent.
- iii. Technical efficiencies on small, medium and large pearl millet farms were 0.985, 0.970 and 0.981, respectively. Allocative and economic efficiency showed that, only one farm was economically and allocative efficient. Cost minimizing input quantities revealed that small, medium and large pearl millet farms could reduce its cost by 56.30, 65.40 and 55.00 per cent, respectively by choosing a more cost efficient input mix for allocatively efficient farms. The mean extent of reduction in input cost of production on small pearl millet farms was `2935.69, while on medium farms it was `3248.81 and on large farms it was `2622.61 by using a new cost efficient input mix.

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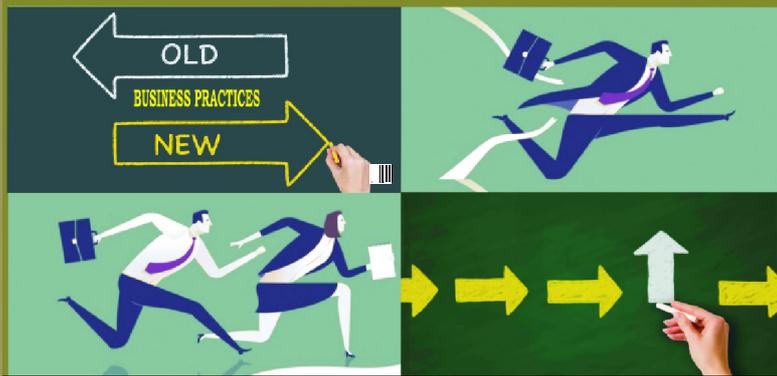
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