International Conference on Ongoing Research in Management & IT

International Conference on 'Ongoing Research in Management & IT'

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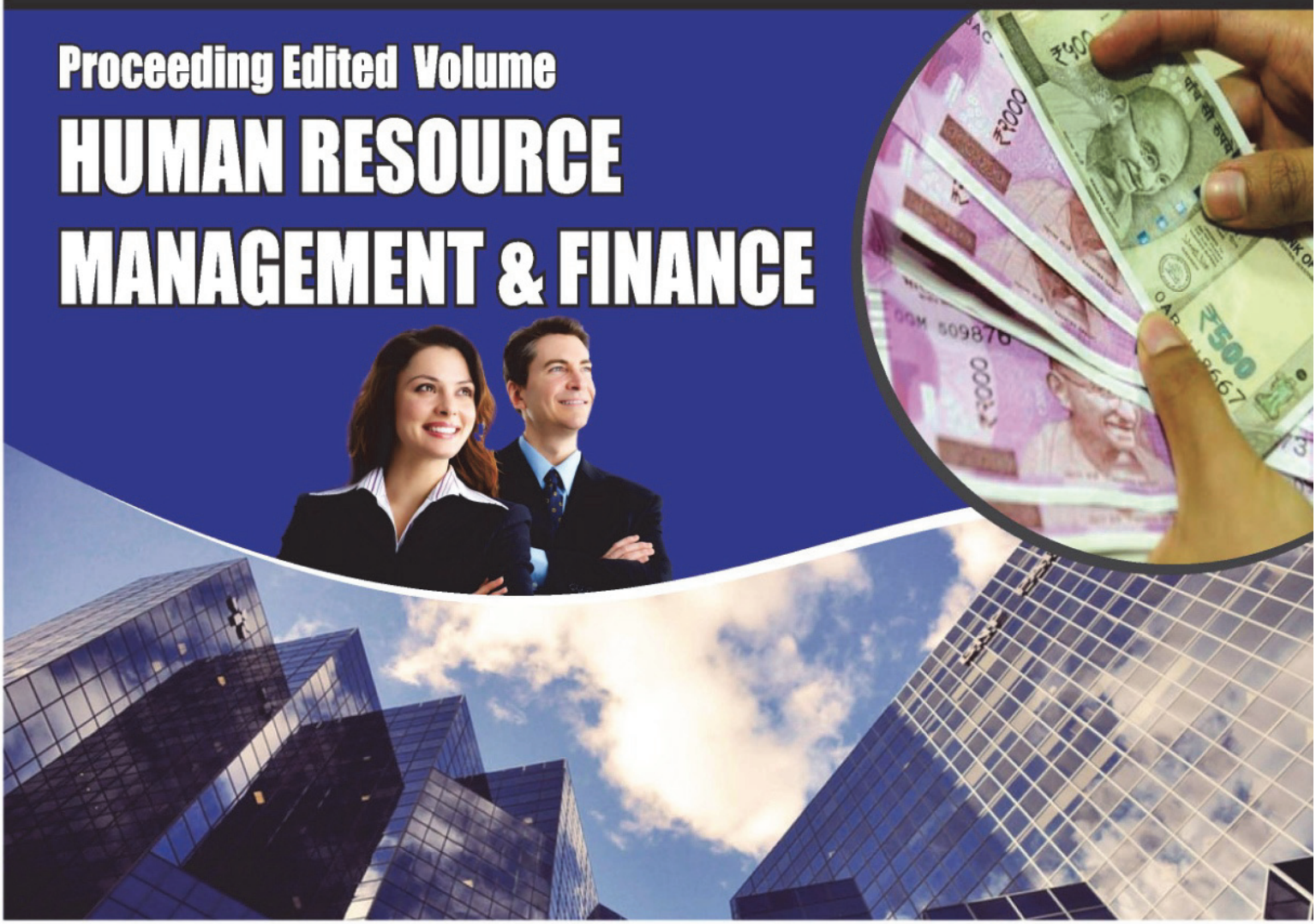

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From the Editor's Desk

INCON "International conference on Ongoing Research in Management and IT" is an important activity of ASM group of institutes' commitment for qualitative research in academics. This book "Contemporary Issues in Management" is an outcome of the dedicated contribution from all the authors. INCON is truly international and well appreciated conference by all delegates and participants from various countries.

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HUMAN RESOURCE MANAGEMENT

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"MAJOR CHANGES IN THE CONSUMER PROTECTION ACT, 2019"

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Introduction:

To protect the interests of the consumers, worldwide consumer movement was started during the 20th century. The prominent countries where the consumer movement was started are: USA, England, Japan, Germany, Malaysia, Australia, South Africa, etc. In India also the last six decades have witnessed over expanding interest on consumerism. In India the consumer movement was started by various voluntary consumer organizations to protect the interests of the consumers. Now a day the VCO's are also playing an important role to create awareness about the Consumer Protection Act by organizing seminars, workshops, road shows, etc. in different areas.

Consumer Protection Act, 1986:

To make the success of consumer movements and to protect the interests of the consumers in India, the Government has enacted the special Law for consumers called "The Consumer Protection Act, 1986". The Act provides certain provisions for the establishment of Consumer Courts at various levels such as District Forum, State Commission and National Commission for the settlement of consumers' disputes. The Consumer Protection Act, 1986 came into existence from 24th December 1986. Hence every year 24th December is celebrated as "National Consumers Day" to remember the milestone of the Act by organizing various programmes on Consumerism, creating awareness about their rights and duties so that no consumer will be exploited by business community.

The Consumer Protection Act, 1986 has been amended three times since its enactment i.e. in 1991, in 1993 and in 2002. But still there are certain limitations are existed as remained unchanged. In the Globalized economy, there is a lot of changes occurred in the business activities like online marketing, online banking, online services, etc. have created new options and opportunities to mislead the consumers by way of unfair trade and unethical business practices. This necessitated the need to change or amend certain clauses in the Consumer Protection Act to protect the interest of the consumers in India. In view of this, the Central Government has decided to make necessary changes in the Act and hence appointed the Standing

Committee of Parliament headed by J.C. Divakar Reddy. On the basis of recommendations of the Standing Committee the revised and modified Consumer Protection Act, 2019 was passed in the Parliament on 9th August, 2019 replace the existing Consumer Protection Act, 1986.

Highlights of the Consumer Protection Act, 2019:

The changes in the existing Consumer Protection Act, 1986 are really beneficial to the consumers. Hence majority of the Voluntary Consumer Organizations and general public have supported the changed Act. Some of the major changes in the Consumer Protection Act, 2019 are highlighted in this paper.

1. Setting up of Central Consumer Protection Authority:

The Consumer Protection Act, 2019 provides for establishment of a Regulatory Body called as the Central Consumer Protection Authority (CCPA) which will be an executive agency to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of consumers and helps to protect and enforce the rights of consumers. Any person can send a complaint relating to violation of consumer rights or unfair trade practices or false or misleading advertisements either in writing or in electronic mode, to the Central Consumer Protection Authority.

If the Central Consumer Protection Authority is satisfied on the basis of an evidence to show violation of consumer rights or unfair trade practice by a person, it may pass an order to:

(a) recall the goods or withdrawal of services which are dangerous, hazardous or unsafe;

(b) reimbursement of the prices to the consumers of such goods or services; and

(c) discontinuation of such practices which are unfair and prejudicial to consumers' interest.

In addition to the above, CCPA has the power to issue directions and penalties against false or misleading advertisements. An aggrieved person can file an appeal in the National Commission only against the orders of the CCPA within a period of thirty days from the date of receipt of such order.

2. Product Liability:

A new chapter has been introduced in the new Act to enforce product liability against manufacturers and even make them to recall the product from entire market if any product or service is harmful to a consumer by such defective product manufactured or sold or by deficiency in services relating thereto. A product liability action may be brought by a complainant against a product manufacturer or a product

service provider or a product seller, as the case may be, for any harm caused to him on account of a defective product or deficiency in services.

3. Unfair Contracts:

According to the Consumer Protection Act, 2019 “unfair contract" means a contract between a manufacturer or trader or service provider on one hand, and a consumer on the other, having such terms which cause significant change in the rights of such consumer. The new Act identifies six types of unfair contracts, including contracts: requiring manifestly excessive security deposits; or imposing any disproportionate penalty on the consumer, for the breach of contract; or refusing to accept early repayment of debts on payment of applicable penalty; or entitling a party to the contract to terminate such contract unilaterally, without reasonable cause; or permitting or has the effect of permitting one party to assign the contract to the detriment of the other party who is a consumer without his consent; or imposing on the consumer any unreasonable charge, obligation or condition which puts such consumer to disadvantage. Any complaint against unfair contracts can be filed with the State Commission or the National Commission.

4. Unfair Trade Practices:

In addition to the unfair trade practices already laid down under the present framework, there are three more types of practices which are added to the existing list to expand the scope of unfair trade practices. These practices are as follows:

a. not issuing bill or cash memo or receipt for the goods sold or services rendered in such manner as may be prescribed;

b. refusing to take back or withdraw defective goods or services after selling goods or rendering services, if paid, within the stipulated period as mentioned in the bill or in the absence of such stipulation, within a period of thirty days; and

c. disclosing to other person any personal information given in confidence by the consumer unless such disclosure is made in accordance with the provisions of any law for the time being in force.

5. Mediation Centers in Consumer Courts:

The Act provides exclusive provisions for setting up of Mediation Centers as an Alternative Dispute Redressal Mechanism in Consumer Courts. If there is any element of a settlement between the parties, the District, State or the National Commission may direct the parties to give a written consent stating that they will settle their dispute through Mediation Centers.

6. Introduction of E-Commerce:

In the present Act there is no provision as regards to purchases made through e-commerce. However, the proposed Bill covers the buying or selling of goods or services including digital products over digital or electronic network.

7. Enhancement of the Monetary Jurisdiction:

Considering the current market trends and decrease in the money value, the new Act has increased the pecuniary jurisdiction of the Consumer Disputes Redressal Agencies.

a. The Pecuniary Jurisdiction of District Commission increased from Rs. 20 Lakhs to Rs. 1 Crore.

b. The Pecuniary Jurisdiction of State Commission increased from Rs. 1 Crore to 10 Crore.

c. The Pecuniary Jurisdiction of the National Commission will be for more than Rs.10 Crore.

8. Territorial Jurisdiction:

The Act has made changes to the Territorial Jurisdiction of the Consumer Disputes Redressal Agencies and includes the place of residence or business of the complainant, in addition to the opposite party place of occurrence of the cause of action.

9. Imprisonment for False and Misleading Advertisements, Sale of Spurious Products and Adulterated Food:

Under Section 89 of the Act there is a provision for two years of imprisonment and a fine of Rs. 10 Lakhs or both for misleading Advertisements. Under Section 90 of the Act states that imprisonment for sale of adulterated food, while Section 91 provides for imprisonment for sale of spurious goods

Conclusion:

The Consumer Protection Act, 2019 has introduced many provisions as stated above to protect and safeguard the interest of the consumers in India and to keep up with the emerging market trends and further aims to simplify the consumer dispute redressal process by including provisions for E-filing and provisions for hearing or examination through video conferencing. The new Act will certainly be a step forward towards protecting the rights and interests of consumers in India.

"Consumer is always king". . . . . .

. . . . . join hands to support and encourage him.

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EMOTIONAL INTELLIGENCE & QUALITY OF WORK LIFE AMONG EMPLOYEES OF IT INDUSTRY

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ABSTRACT :

The corporate world today has been seeing various issues in maintaining Quality of Work Life balance. After having reviewed the available literature it is observed, several studies have been carried out regarding Quality of Work Life Balance and various aspects of Quality of Work Life Balance. One of such aspect which has been observed while reviewing academic literature and personal observation is Emotional Intelligence. Many organizations across sectors believe that Emotional Intelligence plays an essential role in maintaining Quality of Work Life balance of the employees. The researchers have attempted to make an effort to validate this belief. Therefore, the principle of this research was to find the correlation between Emotional Intelligence and Quality of Work Life Balance of the employees working in IT Industry. The topic is selected after rigorous exercise of reading various Journals, Online Articles and News, response from HR Managers and Employees working in IT Industry.

Keywords: *Emotional Intelligence, Work Life Balance, IT Industry*

Introduction:

The subject of work life balance has received a lot of attention from employers because of the benefits it offers to organization with related outcomes. Work life balance means being focused and dedicated in everything whatever we do and enjoy the various experiences that life has to offer. For that what actually matter is how healthy we are and it's largely depends on the kind of food we are consuming, exercise schedule and keeping our mind and soul happy. Achievement and satisfaction in all ranges will lead to work life balance. Work life Balance is aroutine achievement and satisfaction in all spheres of life namely work, family, friends, health and spirit. Quality of work life is guaranteed when members of an organization are able to satisfy their important own needs through their experiences in the organization.There are many factors which can contribute to QWL they are: Adequate and fair compensation, Safety and healthy working condition, security and growth opportunity, opportunity to use and develop creativity, respect for individuals personal rights and last but not least that includes work and family life, including transfers, schedule of hours of work, field work and so on which affects the emotional intelligence of an employee.

Emotional Intelligence:

Emotional Intelligence is a set of qualities and competencies that captures a broad collection of individual skills and dispositions, usually referred to as soft skills., general intelligence and technical or professional skills. Work life balance is defined as a satisfactory level of involvement or fit between the multiple roles in a person life. In this work culture managing both the sides between home and work has become more challenging. Organizations must ensure that they were not just encouraging but creating a practical and workable work life balance policy, benefiting and matching the needs of both the organization and its employees. There are many factors which can contribute to QWL they are: Adequate and fair compensation, Safety and healthy working condition, security and growth opportunity, opportunity to use and develop creativity.

Quality Of Work Life:

Quality of work life (QWL) is anelementof an individual's life that can't be classified and any disturbance on the personal front will affect his professional life and vice-versa. A good work life balance is also a motivator for an employee and encourages the most to perform well at his job and also spend quality time with his family. Therefore, organisations have started to focus on the overall development and satisfaction of the employee for their motivation and reducing their stress levels without compromising on the economic health of the company. A good time managementprogram helps employees balance their work and personal life. There are several ways to achieve to quality of work life. The key elements can be described asproviding Job Security, Rewards and recognition, Flexible work timings, increased employee participation, Open communication, Career growth plans, Job enrichment.

Relationship between EI &QWL :

The pressure for performance in the organisations has certainly lead to emotional disturbances affecting the quality of working life of the employees. An emotionally intelligent employee can contribute in a better way to the humanization of work environment and democratization of work relations. The purpose of this study is to identify the elements that can influence both emotional intelligence (EI) and quality of working life (QWL) for future research. Emotional intelligence is an individual element, whereas quality of working life is an organizational element, therefore to understand the relationship between these two, it is essential to explore both the person and the work environment together to explain the person-work environment interaction. This study intends to fulfil this gap, by theorising that, employee's perception on quality of working life, depends on his emotional intelligence. A thorough review ofextensive literature on emotional intelligence and quality of working life has revealed that irrespective of any model considered for defining EI,

it will have inclination for developing one's perceived QWL. The study has also showcased the contextual moderation of some of the behavioural and attitudinal parameters like relationship management, organizational behaviour, jobsatisfaction, stress management and performance management as interlinking variables between EI and QWL. Therefore it is determined that any HRD program intended for improving the employees' perception on quality of working life in the work setting should focus on their emotional intelligence training, for the appraisal of emotional linking to the content and setting of their work.

Scope of the Study :

The scope of the study is to increase the employee's emotional intelligence at work place and to help in future as to why some employees are star performers while others are not. Emotional Intelligence pleas for recognizing and understanding of the issues in the organizations. On the basis of the results, organization can choose or develop a strategy or actions to improve the performance of their workforce.

Need for the Study :

Emotional Intelligence supports the employees to increase their emotional self-awareness, emotional expression, creativity, tolerance, trust and integrity, improve relations within and across the organization and thereby increase the performance of each employee and the organization as a whole. Emotional intelligence is the key component that give rise to strategic leaders in organizations. Emotional intelligence has played a significant role in the organization and has become an important criterion of evaluation for judgment of an efficient employee, increases productivity and trust among and across the organization.

Objectives:

1. To study the relationship between Emotional Intelligence and Quality of Work Life among employees in IT industry.
2. To understand the role of flexibility in work life in IT Industry

Limitations:

This study has considered different literature of EI simultaneously for linking with particular aspects of employees' perception on QWL. This restricts the generalization of the findings on the linkage between employee EI and perceived QWL. Therefore further studies, considering a single model i..e. either looking at EI as a form of intelligence or as a behavior trait can throw more light on the precise interaction and better exploration of the linkage between employee EI and perceived QWL.

This area of research is relatively new (since the early 1990's) because not much exploration done on this study, with most of the work to date, definitional in nature.

Recently the research has moved into how the construct of emotional intelligence impacts individuals and their work performance. Within the area of emotional intelligence research, there exist few mechanisms to study it. Using the emotional intelligence concept is a second limitation of this study. A wide array of definitions of this concept exist ranging from a very large perspective inclusive of many personality characteristics, to a very narrow restrictive perspective.

Literature Survey :

Hopkins &Bilimoria (2014) in his study "Social and Emotional Competencies Predicting Success for Male and Female Executives" explored the linkage between emotional and social intelligence competencies and organizational success. The study demonstrates that not much of differences between male and female leaders in their exhibition of emotional and social intelligence competencies and also found that when it comes to competency demonstration most successful men and women were more the same than different.

Koman, E. S., & Wolff, S. B. (2013) "Emotional intelligence competencies in the team and team leader: A multi-level examination of the impact of emotional intelligence on team performance". This study examines the relationships among team leader EI competencies and team performance. The study was conducted on 349 aircrew and maintenance military team members'partaken, representing 81 aircrew and maintenance teams. Results shows that team leader's EI is significantly connected to the presence of emotionally competent group norms on the teams they lead, and that they are related to team performance.

Carmeli and Josman (2012) "The relationship among emotional intelligence, task performance and organizational citizenship behaviors". This research recommends possible connections between emotional intelligence and positive performance in the workplace. Researchers explored two prerequisites of the leader: humanity and general compliance could be the reasons that maintain the leader's respect from subordinates and could, therefore, impact subordinates' willingness to conscientiously perform work for the leader. Researchers conducted a study on 215 employees in different 66 organizations in Israel to see if there was a linkage between emotional intelligence with both humanisticbehaviour and compliant behaviour. Data was collected from subordinates and supervisors, as well as the participants, themselves. Their findings suggest that both humanities and compliance were related to task performance.

Goleman (2010) "Working with emotional intelligence" Competency research in over 200 companies and organizations worldwide shows that about one-third of the difference is due to technical skill and cognitive ability while two-thirds is due to emotional competence. (In top leadership positions, over four-fifths of the difference is due to emotional competence).

Bar-On's (2007) "The Bar-On Emotional Quotient Inventory (EQ-I): A test of emotional Intelligence". This study represents social responsibility and empathy as specific interpersonal skills. Goleman's 2005 model includes the same empathic awareness and atonements. Knowing these varying EI models, the study of the relationship of EI to moral or ethical behaviour and to values has been inconsistent. The moral, ethics, values dimensions are often described as part of the basis for educational programs involving EI. A well designed empirical research in this area is very much a necessity.

Deepak D Rangreji (2010)ManyIT employees from Bangalore city, both male and female, conducted study on emotional intelligence and work life balance in IT sector. The correlation analysis of data reveals that there was significant positive relation between emotional intelligence and work – life balance. It suggested that IT organizations should take up the initiative of improving and enhancing the emotional intelligence of their employees. Emotional intelligence will help an employee experience better work – life balance. This study affirms that both emotional intelligence and work – life balance together can create organizational success and develop competitive advantage for IT organizations.

Charu M. (2013)-In his study, he stated that high level of stress is directly proportional to quality of work life for IT professionals. He defined few factors namely fair pay structure, steady role demands, supervisory support, harmonious job environment, capability fit of the job, role autonomy and stress that directly affect the quality of work life. The main reason of stress amongst the associates of IT industry is the rapid change and update in technology. The daily impact of Information Technology on our lives continues unchanged. As innovations and computer capacities increase this influence will continue to grow in the coming years at an increasing rate. As technology advancement takes place, there is also increased stress that is associated with and it is called as "technology stress." IT is here to stay. This brings extra pressure on people to adapt to new advancements and update their knowledge in their field.

P.S. Swaminathan,&Rajkumar S. (2013)- He conducted a study that focused on the levels of stress among the age group, profession, different varieties of jobs, hours of work and its influence of work environment on the level of stress faced by employees . Stress for an employee is very individual in nature. His study indicates about an optimum level in which every individual can perform with his full capacity. He has identified three conditions responsible for work stress they are Role overload, Role self-distance, Role stagnation.

Sharma S., Sharma J. & Devi A.(2012)- The level of stress within a role changes because of individual differences in mind set, age, gender, and their performance in job. However, various factors that influence stress are age where the younger

employees are more stressed as compared to other employees, level of qualification, pay, authorities of control, responsibilities, awards, appraisals, improved designations and working couples. The study recommended a reinforcement approach that should be positive in nature so as to reduce the degree of stress at the workplace.

Aristotle, "Those who educate children well are more to be honoured than they who produce them; for these only gave them life, those arts of living well." Emotional Intelligence (EQ) is best defined by Wikipedia as the ability to identify, use, understand and manage emotions in positive ways to release stress, communicate effectively, empathize with others, overcome challenges, and resolve conflicts. Emotional intelligence impacts many aspects of your daily life, such as the way you behave and the way you communicate with others. Therefore, if you have emotional intelligence one is able to realisetheir own emotional state and the emotional states of others, and engage with people in a way that pulls them to you. Hence, you can use this understanding of emotions to relate better to people, from healthier relationships, achieve greater success at work, and lead a more fulfilling life. It has been realized by many that for a balanced successful life, intelligence is a prerequisite.

Research Methodology:

Data was collected through extensive literature review illustrating through web sites, research papers, going through the records of the organization, etc. It is the data which has been collected by individual or someone else for the purpose of other than those of our particular research study which means that the secondary data is the data used previously for the analysis and the results are undertaken for the next process. Literature pertaining to IT industry with special reference to EI and Work life balance was studies for the research

Data Analysis:

The major data analysis findings of the study were:

1. The three major behaviors of work that interferes with personal life were unhappiness with the amount of time for non-work activities followed by missing personal activities due to work and sacrificing personal life because of work pressure. The two major factors impacting work life balance of IT employees are feeling exhausted at the end of days work and quitting their jobs or taking a career break because of problems arising out of work life balance.The major work related factor meddling with personal life were, carrying mobile phones so that the employees can be reached after normal business hours and are able to check e-mail or voice mail at home after returning from work.

2. The highest difference was noticed in Work from home all the time, followed by part time work. The least difference was discovered in paid leave of absence at workplace for education and paid paternity leave. In case of paid maternity leave it was found to be higher than the awareness of the work life balance programs.Usage of work life balance programs like part time, work from home all the time, career breaks and brief paid sabbatical of 12 months had higher level of risk involved to an IT employee's position. Whereas flexible work schedules, paid paternity leave, work from home occasionally and paid maternity leave had less risk involved to an IT employees position.

3. IT employees were more likely to use work life balance programs like flexible work schedules followed by work from home occasionally, paid leave for sick family member i.e. (parent, child, and spouse) and paid paternity leave.It was found that IT employees were high on regulation of emotion in oneself, followed by appraisal and recognition of emotion in others, use of emotions to enhance performance and appraisal and expression of emotion in oneself. It was found that level of risk to an employee's position with the usage of work-life balance programs has a strong correlation with appraisal and expression of emotion in oneself, use of emotions to facilitate performance and appraisal and recognition of emotion in others.

4. Use of emotions to facilitate performance negatively influenced factors impacting work life balance.Appraisal and recognition of emotion in others had a significant influence on work related factors interfering with personal life. Appraisal and expression of emotions in oneself negatively influence the level of risk to an employee's position with the usage of work-life balance programs. Regulation of emotion in the self positively influence the level of risk to an employee's position with the usage of work-life balance programs.

5. Significant differences were found between gender and work interference with employees' personal life, work related factors interfering with personal life and level of risk to an employee's position with the usage of work-life balance programs. All the three variables were higher in the case of men as compared to women. Significant differences were found between age and work related factors interfering with employees' personal life.

6. Significant differences were found between marital status of IT employees and work related factors interfering with personal life and the possibility of usage of work-life balance programs. Work related factors interfering with personal life were higher for married IT professionals in comparison to single or unmarried IT professionals. Furthermore, married IT professionals were more likely to use work-life balance programs in comparisonto single or unmarried IT professionals.Substantial differences were found between management level

and work interference with personal life, factors affecting work life balance and work related factors interfering with personal life. Work interference with personal life was highest among IT professionals at the middle management level and lowest for junior level management. Factors affecting work life balance was highest for both junior and middle management IT professionals and lowest for senior management IT professionals. Finally, work related factors interfering with personal life were highest for senior management IT professionals and lowest for junior level management IT professionals.

7. Major differences were found between years in present position and work interference with personal life, work related factors interfering with personal life and likelihood of usage of work-life balance programs. Work interference with personal life and work related factors intervening with personal life were highest for IT professionals who were in the same position for six and more years in the same organisation. IT professionals who were in the same position for about four years were more likely to use work-life balance programs. Major differences were found between overall experience and work interference with personal life and work related factors intervening with personal life.

8. Employees' are supposed to co-ordinate with each other in one way or the other. They may be working in a team or in dependent. It depends upon their position and status in their work place. It is not necessary that an office would always be called the work place. It can either be home environment where they use to work for all the time where they were supposed to interact with your family members by and by. Work environment does not only accounts for the living things but also the materialistic world. It may count the room or home where they are working. It may counts the things that they are using in one way or the other. It is all about things and livings that are around the employees' where they are working. It finally concluded that work environment, job analysis, satisfaction and motivation are the four major which dominates all the other factors and helps the employees for their better performance in the organization.

9. Stress management and employee training programs on how to achieve work-life balance are being organised by organizations as part of the welfare provisions, however, companies do not follow them as regular practices in most of the organizations. Research shows considerable dissimilarity between the responses of HR managers and employees. It was surprisingly found that even when the organizations had quite a few work-life balance programs their employees are either not aware or do not recognize so. This finding reveals that HR managers have to put more efforts in properly and effectively communicating about the availability of different work-life balance practices in

their respective organizations to ensure a better work life balance among their employees. . They also found that 3 elements of Emotional Intelligence (appraisal and expression of emotions, regulation of emotions, and utilization of emotions) were related to task performance and to selfless behaviours, but shows only partial relation to compliance behaviours.

10. Emotional intelligence has a direct positive effect on job satisfaction. This means that employee emotional intelligence increase will lead to employee job satisfaction increase, and otherwise employee emotional intelligence decrease will lead to employee job satisfaction decrease.Quality of work life has a direct positive effect on job satisfaction. This means that employee quality of work life increase will lead to employee job satisfaction increase, and otherwise employee quality of work life decrease will lead to employee job satisfaction decrease. Job satisfaction has a direct and a negative effect on turnover ratio. This means that as the employee job satisfaction increases it will lead to decreasein employee turnover ratio.

11. Stress has a direct negative effect on job satisfaction. This means that employee stress increase will lead to employee job satisfaction decrease, and otherwise employee stress decrease will lead to employee satisfaction increase. Emotional intelligence has a direct negative effect on intention of turnover.This means that employee emotional intelligence increase will lead to employee. Stress has a direct positive effect on turnover intention. This means that employee stress increase will lead to employee turnover intention increase, and otherwise employee stress decrease will lead to employee turnover decrease. Organizational initiatives taken to trigger the intermediary factors identified from the study like job satisfaction, affective commitment, stress management, performance, quality of relationship and organizational citizenship behaviour of the employee will automatically ascertain competitive advantage to the employees as well as to the organization in a longer run. Any motivational programs intended for human resource development on improving the employees perception on quality of working life in the organizational setting should focus on emotional intelligence training of the employees, for the appraisal of emotional connection of the employee to the content and context of the work.

Conclusion :

Emotional intelligence is composed of intrapersonal intelligence and interpersonal intelligence. Intrapersonal intelligence is what is required for effective self-management. Interpersonal intelligence is what one needs for effective relationship

management. Effective self-management plus effective relationship management leads to effective overall performance and stress free work place.

From the above frame work it is very evident that the employees who were contacted for the interview echoed that emotional intelligence training was very critical in educating them to be more aware of their emotions and thus be proactive in managing it. This has greatly helped them to create a positive environment where they enjoyed better relationships with their colleagues. They also mentioned that this training added value to their personal lives. Emotional intelligence amongst employees supported them to be more sensitive, compassionate and empathetic towards their colleagues which helped in decreasing the work stress and increasing productivity. All these collectively contributed to a better quality of work life where employees felt happy and valued.

The researcher was able to achieve his objectives through the above conducted study. Both qualitative and quantitative data analysis revealed that "Emotional intelligence" is an essential competency that needs to be developed amongst employees in today's dynamic, contemporary work place. Training on emotional intelligence is critical in improving these competencies and developing an organization of emotionally intelligent employees. Thus through the above research, emotional intelligence is identified as an essential skill for employees of contemporary organizations. Efforts towards improving the same is of paramount importance for both organizations and employees as it leads to betterment of professional and personal lives. This study has validated that training on emotional intelligence helps employees to improve their emotional competencies which lead to higher employee productivity, better employee relationships, improved decision making and low employee turnover. All the above contribute to better quality of work life.

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EMPOWERING WOMEN WITH ECONOMIC STRATEGIES

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ABSTRACT :

A view has been developed amongst a large number of organizations across the world that women have full right to achieve their economic potential and to do so its necessary for organization's creativity and innovation, output, and market growth. With this intent many organizations have already set up the empowerment principle in their organizations for women to create gender equality.

The harsh reality is that still, a significant part of society across the world don't treat men and women equally.We rarely see women in different leadership positions, and also there is pay gap across different levels of the organizations.

Till date women are still facing the legal and cultural barriers which are taking a toll on their health and well-being.

Key Words: *Women Empowerment, Economics, Economic Strategic*

Introduction

While many businesses actively support the empowerment of women, the majority still attempt to find out the most efficient way to achieve this. They are doing so with individual programs and investments; most businesses are still approaching women's economic empowerment.

These have resulted in some progressive changes for females, as well as to business advantages, but the private sector has much more to give and to benefit females. An ever-increasing wealth of evidence shows, without promoting gender equality in society, that gender equality can not be accomplished in company. In turn, the private industry can be one of the most strong drivers of social change when advocating gender equality.

In both cases, there will be a real transformation for women when firms tackle the structural and systemic barriers to the economic development of women. As recommended in this study, businesses can attain a higher effect and add business value by using a holistic and integrated strategy which addresses the underlying structural obstacles to the economic empowerment of women and gender issues throughout the company in general.

Eight building blocks to overall development of economic empowerment of women:

1. Access to safe and equitable employment opportunities

2. Access to economic resources and opportunities
3. Education and training
4. Social protection and childcare
5. Access to reproductive health and family formation
6. Freedom from the risk of violence
7. Voice in society and policy influence
8. Freedom of movement

Women's economic empowerment

The aim is to ensure that females can reach their full potential. This is not feasible unless there are high quality education and care for females and girls. This can not be done by the constant devaluation of women's job by employers and by women's lack of authority to decide economically or to behave. And this can not be achieved without a feeling of safety and freedom from harassment and violence for girls and women. This does not imply that all females are on the same road to economic empowerment, some through entrepreneurship, others are going on the ladder of companies and some are going to be excellent at the plant.However empowerment for all females implies understanding, instruments and the ability to decide on their own.

Explicit focus on women's economic empowerment for three primary reasons

1. First, women often ignore their contributions and needs. Women's health, especially reproductive health and women's significant role in childbirth haveprofound implications for the capacity of women to participate in the economy completely. 75% of all unpaid care worldwide is provided by females, including childcare, care for the elderly, food and cleaning.Women are also susceptible to security and external shocks such as natural disasters. Women are particularly susceptible. In the WHO, the bulk of the individuals impacted by force and human trafficking are estimated to suffer from gender-based violence in their lives for one in three females globally. Regrettably, governments and employers often ignore women's contributions and needs.
2. Secondly, Women are faced with unique obstacles. Women are treated differently by legislation and in practice in most nations. Many nations, for instance, have legislation restricting the ownership and involvement of women. In a World Bank study examining 173 domestic economies, females face labor constraints in 100 countries where females in 41 countries and 18 countries are not permitted to work in particular factory employment without the consent of their husbands.Inadequate enforcement and cultural standards, in addition to

laws, also affect women's mobility, access, and control on income and education, all of which have an impact on women's economic development. Despite significant progress in closing the education gap in many countries, the participation of women in the workforce and pay lag on average still behind men.

3. Thirdly, Women are still lagging behind key indices of growth. Females are almost two-thirds of the 757 million analphabets worldwide. For females with reduced earnings or females who are ethnic minorities, the gender divide in education and health in particular. In developing nations, insecure sex is the primary risk factor for females aged globally, leading cause of death. Women are more probable than males to be engaged in low productivity and unpaid family work or work in the informal salary industry in nearly every country.Despite small changes, females, particularly in senior roles, are underrepresented at all levels of today's corporations. Although females have achieved a sizeable boost in the last few decades, there have been concerns about women's decline behind fast changes in demographics, increased income inequality, climate change, and other significant trends.

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HOW EMPLOYEES ARE GETTING BURNOUT IN COMPETETIVE WORLD

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ABSTRACT :

Introduction Business Insider released an article about depression in the startup society a few years ago. According to the article, 7 percent of the general population report having depression, while 30 percent of founders report having to deal with its consequences, and over 50 percent of those report burnout. Although there are no particular studies concentrating on entrepreneurs yet, there are numerous clinical research papers and statistics on the increase of depression and burnout in the overall workforce population, with contributing variables ranging from air pollution, bad food quality, screening time, lengthy working hours, little private interaction, and overall loss of meaning in professional life. These studies also seem to distinguish two kinds of burnout: circumstantial and existential. Circumstantial burnout is caused by difficulties in the workplace, neglect of private lives, and not taking time off. Existential burnout arises from loss of meaning in one's job, lack of self validation, loss of comprehension of professional identity, and loss of communication with peers and customers.

Key Words: *Employee burnout, causes of burnout, burnout at workplace*

What Makes Entrepreneurs Burn Out

The Dark Side of Passion:

Let's take a closer look at the association between passion and burnout. During their job, the entrepreneurs who reported elevated rates of harmonious enthusiasm experienced elevated rates of concentration, attention, and absorption. While these entrepreneurs often said they felt completely taken by their job, they also permitted breaks and more flexibility. In addition, they thought their entrepreneurial career enabled them to experience a range of memorable experiences and reflect on the characteristics they enjoyed about themselves.

Overall, when not participating in work, these harmoniously enthusiastic entrepreneurs were able to balance their work with other operations in their life without experiencing conflict, guilt, or adverse impacts. As a result, we discovered that these entrepreneurs had a much lower opportunity of suffering from burnout emotions.

By comparison, due to certain pressures or results, entrepreneurs who were obsessively enthusiastic about their company regarded their career as significant. They were worried about being an entrepreneur with social acceptance, status,

money, and other results. They reported elevated rates of job fit, but also reported having a difficult time paying attention at work; because of their obsessive enthusiasm, they were often distracted by thinking about the roles and duties they neglected (such as family and staying healthy). They said they couldn't live without their job and felt a powerful desire to work 24/7 in their businesses. Moreover, they felt emotionally dependent on their job, had trouble imagining their life without their job, and felt their mood dependent on working.

The Importance of a Flexible Mindset

It was also saying that the connection between work fit and burnout was moderated by a fixed mindset. What this means is that entrepreneurs with a set mindset saw their job-fit emotions as so rigid that they affected their passion emotions, resulting in burnout.

In summary, our results indicate that there is inextricably related work fit, enthusiasm, mindset, and burnout. Understanding that enthusiasm is a double-edged sword can assist entrepreneurs track their motivation and work behavior and stop burnout from hurting their careers. Likewise, learning to think about your profession more flexibly can also assist you avoid burnout.

Psychologists Herbert Freudenberger and Gail North developed a 12-stage model of burnout, to visualize its progression:

1. Compulsion to prove oneself - demonstrating worth obsessively.
2. Working hard - with an inability to switch off.
3. Neglecting basic needs - lack of sleep, lack of healthy eating, lack of social interaction.
4. Displacement of conflicts - problems is dismissed.
5. Revision of values - values are skewed, friends and family dismissed, hobbies irrelevant.
6. Denial of emerging problems - intolerance, perceiving collaborators as stupid, cynicism, aggression, problems are viewed as caused by work.
7. Withdrawal - social life small or nonexistent, hard social contacts.
8. Odd behavioral changes - changes in behavior obvious to friends and family.
9. Depersonalization - seeing neither self nor others as valuable.
10. Inner emptiness - feeling empty inside.
11. Depression - feeling lost, exhausted and the future feels bleak and dark.

12. Burnout syndrome - includes mental and physical collapse; medical attention required.

Entrepreneurs Can Use to Avoid Burnout

1. Start intelligent every day.

   The smartest thing you can do to begin your day is not to send your agenda to others before you set your intention, purpose, and push yourself into a smooth day of job.

   If you open first thing in the morning emails, texts and social media, you have opened your life to the energy and opinions of everyone else. Once this occurs, your own task will spread and concentrate.

   Start with a morning ritual that is simple to achieve and works for you. For example, if you want to meditate, read or work out in the morning, the night before you have everything you need ready. And remember, it's not someone else's morning routine. Do the correct thing for you.

   I always find it useful to set your day's intention. If you want sales and good deals, make room for yourself to see that happening before you set out into the globe. If you need to concentrate on making decisions clearly and confidently-set that intention.

2. Understand that where you're thinking flows, your energy goes.

   What you're focusing on is growing. So, if you focus on anything that doesn't work, you can expect to grow that stuff in your company and stress you out. Focus on what works, then reboot the areas where attention is needed.

   It is useful for many successful entrepreneurs to write down what they want to achieve. This enables clarity and there is a muscle to mental connection as well as a greater feeling of dedication to attaining it by writing it. This can be done during your routine in the morning or before sleep at the end of the day.

3. Stay out of the way it is.

   How is most individuals, particularly entrepreneurs, an exhausting word? When you ask how, you're going to feel a rush of anxiety going through your system that will set you off in many distinct situations and open loops. For example, "how will I do all this?" is a daunting question. It's a burnout recipe.

   Rather than asking yourself, what's next to occurring? This places your brain in the mode of solution. Make a list and prioritize afterwards. There's a solution where there's an issue.

Asking questions about next necessary actions will keep your brain focused on a solution map instead of worrying about spinning, creating burnout.

4. Creating room for the mind.

Agitation is the result of a loud and cluttered mind. We are no longer in control when noise takes over our ideas and the roller coaster starts. Taking breaks every 50 minutes enables room to stretch, drink water from the spring and breathe profoundly.

Every year, Bill Gates is known to take two "Think Weeks." Alone the seven-day stretch of time provides him the chance to read, believe and strategize.

I also suggest sitting in silence, listening to your favourite music or, better yet, meditating purposefully, taking 15 to 20 minutes at midday.

5. Avoid comparison and judgment.

If we compare ourselves with other company owners, we will probably do one of two things: believe about adverse ideas about them or about ourselves. This produces a low-energy boomerang and throws feelings into a spiraling downward.

By lifting others up, you can prevent discouraging self-talking. Be excited about doing well for those. You are constructing a company in a limitless universal scheme.

Once you know that there is an endless amount of assistance and creativity, you will feel inspired by those who are doing well and dropping the contest.

Staying focused on task and purpose requires a dedicated and developed mind muscle. Part of developing this muscle is to remember why. Stay driven by the mission and avoid identifying things as failures.

The ideal and purpose you set for your business is the compelling thought of returning to it again and again. This will keep you on your own track of success. Your ideal will thrive with a clear purpose and intention.

Conclusion

For the entrepreneur, numerous sources of factors derived from the entrepreneurial act could generate burnout. In fact, resource and skill deficiencies, relationships with others, the complexity of relationships with different stakeholders, the change in management, the conflict of roles, isolation, uncertainty about the future of the company, tensions of roles, day-to-day business management, organizational climate and negative social skills, such as neuroticism, are the most recurring sources of burnout during this period.

However, a set of individual and organizational determinants help counter burnout. Indeed, entrepreneur-related individual determinants, and more specifically socio-personal skills such as social emotional intelligence and self-efficacy, might be able to fight burnout. Social support is also a determinant of the organization that helps to reduce it. Because of this, entrepreneurs are invited to take time, stress and change management training courses, create a favorable corporate culture and improve support for coaching and mentoring. Further research considering the topic of entrepreneurial burnout from an empirical perspective, including both researches exploring the prevalence of burnout and research exploring the mitigating effects of the various possible interventions, would provide more insight into the challenges facing entrepreneurs and the policy responses that could be developed.

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PROFESSIONAL STRESS AMONG INDIAN MILITARY INTELLIGENCE PERSONNEL

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ABSTRACT :

The present study focuses on the professional stress on work places among the Junior Commissioned Officers (JCOs), Non-Commissioned Officers (NCOs) and Other Ranks (ORs) of Military Intelligence of Indian Army. 384 samples of Military Intelligence personnel will be taken for this study. Sources of data is Primary data include a structured questionnaire. Data was collected through structured questionnaire and measure through Likert's scale, using Kaiser- Meyer-Olkin measure of sampling adequacy, Cronbach's alpha for checking internal consistency, Bartlett sphericity test for testing the null hypothesis and various factor analysis including Eigenvalues, Extract square Sum loading, variance percent and Accumulation percent values relative comparison and Correlation matrix will be used as tools to arrive at desired results and statistical interpretations.

Key Words: *Indian Military Intelligence, Professional Stress, Junior Commissioned Officers (JCOs), Non-Commissioned Officers (NCOs) and Other Ranks (ORs)*

I. introduction

Job plays a major role in every person's life and the stress related to professional life is inevitable. Stress related to profession will co-relate with performance and to prove it there are enough of evidence supporting the effects of it over organizational and individual productivity. Stress has become a unavoidable factor in defence arena and culture and stress also become day to day issue for the organizations and as well to the personnel life. In human life, there are several kinds of stress; however the stress related to profession will be unique in nature and will turn out to be "the silent killer" if it's not managed properly.

Professional stress if not managed properly will cause psychological, physiological and behavioral symptoms which causes the human machine to collapse. To avoid this, organizations and personnel should know how to deal with the professional

stress issues and act smartly to tackle it and stay productive. Individuals should have sound knowledge regarding the causes so as to resolve professional stress on time. Professional stress happens mainly when an individual finds difference between the work and environment and when they are made to work under different sorts of pressures and concerns. When an individual continues to work under such environment, it may lead sudden bust out situation at work which might create a negative image of individual and also cause other symptoms of stress (Khodabakhsh Ahmadi and Kolivand Alireza, 2007).

Military Intelligence personnel has gathering information from various sources. After information gathering the same have been shared with other intelligence agencies i.e National Technical Research Organisation, R&AW, IB, DIA & Joint Cipher Bureau. They use this type of information to control the risks related to hypothetical command decisions. They use the gathered intelligence/ information through their specialization to resolved threats presented by an adversary and to provide gathered intelligence to operational commanders with a reduced risks of uncertainty. Hence, profession of MilitaryIntelligence personnel is not a tiny one; they are playing with their life and against nature. Hence Professional stress among Indian Military Intelligence Personnel had been chosen (Singh, Jagdeep, 2009).

II. Literatures reviews

A. P. Saravanan, Dr.N. Panchanatham and Dr. M. Jeyakumaran (2019)

In the article, "Professional Stress among Junior Commissioned Officer and Non Commissioned Officer of Indian Military Intelligence Personnel", the author find out and recommended that, Parameters such as Terrain (Geographical Differences), Tension & Anxiety (Combat conflicts) and Monotony (Unit perception) found to be important factors in stress building. The leadership style needs to consider them in reducing stress. Also, Incompetent officer, unfree to talk to officer and uncomfortable leadership under factor Job Pressure have made Non Commissioned Officer to take leaves, overstay on leave and also to think about next movement. They found to be moderately creating stress. Adopting lesser care on the leadership style and attitude leads to building higher the personnel stress has been observed. Furthermore, Training conflicts, Job pressure and Organizational Rules found to be the most stress impacted factors on Non Commissioned Officer. Streamlining of these factors could boost the morale of other employees to reduce stress and could enhance the efficiency and effectiveness of Military Intelligence personnel.

B. P. Saravanan, Dr.N. Panchanatham and Dr.M. Jeyakumaran (2019)

In the article, "Emotional Intelligence and Job Performance among Indian Military Intelligence Personnel", the author find out that a positive relationship was found between Emotional intelligence and job performance. Based on the findings, the

authors were recommended that the Directorate of Military Intelligence should focus not only on identifying the occupational stress factors affecting their personnel but also try to manage their emotional competences through the provision of conducive working environment for them. In this way they can deal with the problem of occupational stress and boost their job performance. Also, this could be done by employing the service of motivational interviewing counsellor, psychologist and counsellors from Defence Institute of Psychological Research to train the Military Intelligence personnel and made them as psychologically fit to handle their emotional intelligence in positive way.

C. P. Saravanan, Dr.N. Panchanatham and Dr.M. Jeyakumaran (2019)

In the article, "Work-Family Conflict and Professional Stress among Indian Military Intelligence Personnel", the author had find out that Indian Military Intelligence Personnel's work-family conflict perception increases the professional stress. Based on the findings, the author was recommended that the Directorate of Military Intelligence may building the existing knowledge base on dealing with dual-roles conflict in the workplace for strategic Human-Resource Management through strategies like Emotional Support, Instrumental Support and Role Modelling Behaviours.

D. P. Saravanan, Dr.N. Panchanatham and Dr.M. Jeyakumaran (2019)

In the article, "Professional Stress and Motivation among Indian Military Intelligence Personnel", the author had to identified the professional stress and motivational factors in military intelligence professionals in India with sample of 300 different cadres of military intelligence department. The results of Chi-square analysis found that there is a significant difference exists between job stress and work motivations are concerned. The study revealed that Clerk Cadre Personnel feel more stress than FIOs and there is significant association exist between professional stress and personnel motivation and proposed some applicable recommendations to perk up overall job scenario in MI department.

E. Sivasubramanian& K.V.R. Rajandran (2017)

In the article, "Study of Stressors affecting Indian Air Force Personnel", the author had mainly checked on stress breeding environment which in a way impacted in boosting morale of defence personnel and thus reducing the number of unnatural death due to fratricide, suicide and PTSD. Severity of unbalanced behavior of soldier due to excessive stress which would result in creating havoc among colleagues and thus causes cascading effect on defence establishment.

The questions were prepared based on the following factors : The 'Q" was distributed with group of 60 personnel which had 40 soldiers and 20 officers. The study was conducted at one of forward base of Indian Air Force establishment and

selected group of people were asked about the top 10 stressors from the list of most likely to promote stress among Indian Air Force personnel. The paper provides association of stress with working culture of Indian Air Force and existence of various stressors in their day today life. Also, in accordance it also suggested various unique measures, which promoted stress free work environment among Indian Air Force personnel.

F. Dr. B. Vijaya Bhaskararao (2017)

The article, "Job Stress: Influence of Socio Economical Factors on Employees of Indian Army", written by Vijaya Bhaskarrao was mainly aimed at examining the magnitude of stress experienced by Indian army soldiers with reference to various factors such as socio-economic groups of age, income and region, experience, destination. The study was conducted on 417 soldiers to find out the level of job stress in the area of organizational stressors, job stressors, individual stressors and group stressors and the same was used for finding the overall stress . When it came to designation level stress, JCO soldiers felt more stress working on too many jobs and the individuals had the feeling of spending less time with family. In conclusion to all the above, authors suggested that soldiers should be encouraged to share their problems with seniors and peer group.

G. P. Saravanan and Dr.N. Panchanatham (2017)

The authors in their article, "Impact of Motivation, Change the Stress Level of Personnel of Indian Army – An Empirical Study" focuses on the stress on work places among the Junior Commissioned Officers (JCOs), Non-Commissioned Officers (NCOs) & Other Ranks (ORs) of Indian Army. 15 questions are consisted in the questionnaire. Scrutiny of the results shows that stress level increased repeated postings to operational / Counter Insurgency areas (13 Nos), however family problems and separation from spouse are also have same Nos (15 each). The t values are found to be significant for ineffectual officer's leadership (22.627) as 15 personnel are in Neutral statement. Apart, repeated postings to operational / CI areas (17.567), family problems (18.292) and separation from spouse (19.530) are indicates stress level has increased. On the basis of the results authors directed that the government should taken various measures to prevent such incidents, these include improvement in living and working conditions through provision of better infrastructure and facilities, additional family accommodation, liberalised leave policy, establishing grievance redressal mechanism, conduct of yoga and meditation as part of the unit routine.

H. Maj Gen Mrinal Suman (2014)

In an editorial named "Indian Army and Management of Stress" , written by Maj Gen Mrinal Suman states that long term deployment in an highly dangerous environments, long time separation from families, financial injustices, serving in

isolated conditions, helplessness of not being with family during domestic emergencies and also lack of liberty (as enjoyed by the citizens) are few of the reasons for objectionable levels of stress felt by Indian soldiers. Also he gives three prolonged approaches such as command level initiation, organizational level reforms and psychological level measures.

J. SurgCmde VSSR Ryali (2011)

In an editorial, "Stress in the Indian Armed Forces: how true and what to do?", he proposed to review the existing literature on the concepts of stress, assessment methodologies, epidemiological trends of stress related disorders among soldiers, manifestation of stress and as well the coping strategies. He also suggested measures to liberalize policies, enhance the interaction between officers and soldier's, enhancement of hardship related allowances, etc to deal with combat stress.

The change of event or change in routine causes stress among soldiers. These factors does not cause stress in any mathematical measure. The individual's character might make him to react to stressors. Different operational environment has been covered which relates to faces of satisfaction of job, living conditions which also includes recreation facilities, service conditions which includes pay and allowances, food, leave, promotion, posting and tenures in operational high altitude/difficult areas

K. Col KC Dixit (2011)

Col KC Dixit in an article, "Addressing Stress Related Issues in Army", discuss the key causes of stress in Army which includes cases of suicides and fratricides, journal on stress related incidents, various action taken by the organization/ government to address the issue and finally recommended focus areas. The methodology adopted involved study of literature , Reports, journals , interacting with individuals, survey during field trips. The survey was done with two different questionnaires. The survey comprised of 100 officers, 100 JCOs and 300 other ranks. The analysis of factors in sample survey which were mainly related to operational and also domestic pressures which induces various levels of stress in Army personnel. The author suggested immediate need to carry out cadre review so as to ensure faster promotions to permanent commissioned officers must be identified and executed. Also, he highlighted that promotion policy must be transparent and designed to enhance the overall effectiveness of the Army.

L. Brig JarkenGamlin (2010).

The article, "Challenges of Man Management and Combat Stress in LIC Environment", where the survey consisted of 568 officers, junior commissioned officers and other ranks randomly selected from units deployed in LIC. Different measures such as Personal Questionnaire, Carroll Rating Scale for Depression (CRSD), Michigan Alcoholism Screening Test (MAST), General Health

Questionnaire (GHQ), State-Trait Anxiety Inventory (STAI), Perceived Stress Questionnaire(PSQ), Impact of Events Scale (IES), Multidimensional Fatigue Inventory (MFI), Satisfaction with Life Scale (SWLS), The Hindi PEN Inventory (PEN) & Locus of Control (LOC) scale was used to measure the stress level. Mean and Standard Deviation used as a testing tool called Mann-Whitney U test. The author suggested several techniques such as Yoga, acupressure, massage, sound therapy, music therapy and Sudarshana Kriya to combat stress.

III. RESEARCH GAP

Two Searches conducted using the keyword "Stress" and "Professional Stress" .Studies were conducted with subjects limited to human , English language and also mainly concentrating on Military intelligence personnel which yielded 77 articles for stress, 31 articles for professional stress and 12 articles for Professional stress related with army.

Apart from the literature's review mentioned above, maximum literatures had focused on stress during less intensified conflict areas, job stress influencing socio economic factors and addressing stress related issues in the entire army and also suggested the implementation of yoga & Meditation classes to be carried out in Indian Army for reducing stress level among soldiers. Several other studies also suggested increasing of pay and allowances of officers and soldiers and also suggested to have officers-soldiers interactions and to share the problems with the seniors and peers.

In view of above, there wasn't any dedicated study on professional stress, factors influencing professional stress and reasons of professional stress among Indian Military Intelligence Personnel was carried out.

IV. Research Objectives

To assess the level of professional stress between Junior Commissioned Officers &Non Commissioned Officers along with Clerical Staffs and Field Intelligence Operators.

V. Research Hypothesis

H0: There is no association between the JCOs and NCOs and professional stress among personnel of Indian Military Intelligence.

H1: There is an association between the JCOs and NCOs and professional stress among personnel of Indian Military Intelligence.

VI. Research Methodology

This research is quantitative in nature. To study the correlation between professional stress and other factors, professional stress has been quantitatively measured. Several

tools were developed to measure professional stress. The first hand data has been collected by making use of structured questionnaires. 384 respondents from Junior Commissioned Officers &Non Commissioned Officers along with Clerical Staffs and Field Intelligence Operators have been taken into an account for survey. A total of 384 sample size was considered for the analysis purpose by splitting into three groups as Field Intelligence Operators, JCO and NCO to find correlation and Regression co-efficient.

Data was collected through structured questionnaire and measure through Likert's scale, using Kaiser-Meyer-Olkin measure of sampling adequacy, Cronbach's alpha for checking internal consistency, Bartlett sphericity test for testing the null hypothesis and various factor analysis including Eigenvalues, Extract square Sum loading, variance percent and accumulation percent values relative comparison and Correlation matrix and will be used as tools to arrive at desired results and statistical interpretations.

Among those tools, the Occupational Stress Indicator (OSI), developed by Cooper and Williams et al. [32], is one of the most frequently used to measure job stress. It covers six dimensions i.e., (i.e., the job itself, family-work conflict, geographical differences, combat conflict, disturbance factors, organization style, unit perception and Unit resource management. The questionnaire developed by Karasek [41] is used to measure job control level and the psychological demand, and this questionnaire is divided into four sections: mission control, decision control, resource control, and physical job environment control. Then, the collected data from valid questionnaires were analyzed to study the correlation between job stress and different cadre of Indian military intelligence personnel.

VII. Data Analysis and Result Discussions

Reliability Test Analysis

A. Factor Analysis of the Scale

The primary task of factor analysis is to extract and synthesize the overlapping parts of the original variables into factors. It requires a strong correlation between the original variables. Otherwise, if the original variables are independent of each other, the degree of correlation is very low. If there is information overlap, there is no common factor, and no factor analysis is needed. Therefore, before the factor analysis, KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) and Bartlett sphericity test method are used to analyze whether the original variables correlate, meaning whether it is suitable for factor analysis. The KMO method indicates that the higher the value of the measure, the more common factors between the variables. The KMO and Bartlett tests are performed on the recovered working pressure gauge. The KMO value is 0.86 (between 0.8 and 0.9), and the significant level of Bartlett

test is 0, indicating that the professional stress questionnaire is suitable for factor analysis. The results of factor analysis using SPSS are presented below: -

Table 1: Factors for Field Intelligence Operators (FIOs) -Stress

Initial Eigenvalues				Extracted Sum of square loadings		
Components	**Total**	**% of variance**	**Cumulative %**	**Total**	**% of variance**	**Cumulative %**
1	24.70	53.71	53.71	15.32	33.32	33.32
2	6.08	13.21	66.92	8.80	19.13	52.45
3	4.42	9.62	76.54	8.67	18.85	71.31
4	2.71	5.90	82.45	4.09	8.89	80.20
5	2.42	5.26	87.72	2.37	5.16	85.36
6	1.85	4.04	91.76	2.33	5.06	90.43
7	1.67	3.63	95.39	2.28	4.96	95.39
8	1.39	1.58	98.92	1.39	1.58	98.92

From the above Table 1, it is observed that the eigenvalues and sum of squared loading factors shown that the percent variance figures for the selected factors under Field Intelligence Operators found consistently on reduction. At the same time the cumulative figures are on the increasing trend.

The variance figures commenced with 53.71% to a lowest of 1.58% under Eigenvalues and the same is from 33.32% to the lower of 1.58% under sum of squared loading for eight iterating factors loading.

Similarly, cumulative figures ranging between 53.71% to 98.92 and 33.32 to 98.92% for Eigenvalues and Sum of square groups respectively, hence the reliability for the selected factors.

Table 2: Cronbach's Alpha Value for Stress Factors-Field Intelligence Operators (FIOs)

Variable	Cronbach's Alpha*	No. of Variables
Role factors	0.979	4
Social Isolationfactors	0.978	4
Geographical factors	0.977	4
Fear factors	0.977	4
Morale and disciplinary factors	0.977	4
Disturbance Factors	0.976	6
Career worrisome factors	0.976	4
Work Overload factors	0.976	5
Leadership style	0.976	6
Organization Attitude	0.976	3

*Highest Cronbach's value among respective factor variables

The internal consistency of the scale is validated through a test called Cronbach's Alpha co-efficient. The consistent reduction in the Cronbach's value for the factors selected being highest for role factors (0.979) to Organization attitude (0.976). However, their sub factors numbers vary with the main factors and their dependency decides the co-efficient value.

Table 3: Correlation Matrix for Field Intelligence Operator (FIOs) - Stress Factors

Factors Co-efficient *	Correlation	Sub-Factors
Social isolation factors	-1.75	Having a hard time bullying or Intermediation at work
Geographical factors	-0.10	Climatic conditions at work
Fear Factors	-0.04	Extreme Repeated & continued treat to personal safety
Fear Factors	-0.02	Gallant& heroic Deeds
Morale & Disciplinary	-0.06	Lack of Unit Cohesion and esprit
Disturbance factors	-0.47	Personnel in Continues operation
Disturbance factors	-0.23	Uncertainty
Disturbance factors	-0.22	Conflict
Career worrisome factors	-0.15	No Idea on what mental disorder mean to see a Psychiatrist
Work Overload	-0.15	Insufficient Co-Workers
Leadership style	-0.78	Unfree to talk about work/or home issues
Organization Attitude	-0.32	Lack of mutual Trust and supportive culture

The validity of the factors selected is given above (Table 3) along with the specific sub- factors impact with significance. The least negative significant value is depicted in the table indicating are the sub-factors highly significant in impacting on the main factor for a given unit of slight variation on mentioned sub-factors. Under 'Fear Factors' Gallant & Heroic deeds (-0.02) and Extreme repeated & continued treat to personal safety (-0.04) found highly significant than the rest of the other two sub factors. Similarly, under Morale & Disciplinary factors out of four sub-factors, Lack of Unit Cohesion and esprit found highly significant with value -0.06.

Table 4: Total variance explained for Field Intelligence Operator (FIOs) – Non-Stress

Initial Eigenvalues				Extracted Sum of square loadings		
Components	**Total**	**% of variance**	**Cumulative %**	**Total**	**% of variance**	**Cumulative %**
1	28.37	65.99	65.99	11.27	26.23	26.23
2	4.26	9.90	75.90	9.06	21.08	47.32
3	3.55	8.26	84.17	7.41	17.23	64.55
4	2.78	6.47	90.64	6.30	14.67	79.22
5	1.88	4.38	95.02	6.16	14.33	93.55
6	1.44	3.35	98.38	2.07	4.82	98.38

Now among the Non-stress factors for the same Field Intelligence Operators, the consistency observed (Table 4) for both Variance and the Cumulative components. Up to six factors iteration the values are calculated and variance ranges between 65.99% to the lower of 3.35% and 26.23% to 4.82% for both Eigen value and Sum of square respectively. In contrast, there is an increasing trend observed for both under cumulative components for reliability of the factors.

Table 5: Correlation Matrix for Field Intelligence Operators (FIOs) –Non- Stress Factors

Factors Co-efficient *	**Correlation**	**Sub-Factors**
Emotional factors	-0.07	Always know which emotion feeling with & why
Emotional factors	-0.02	Realize the links between feeling what they think, to do and say
Emotional factors	-0.12	They recognize how their feelings affect their performance
Emotional factors	-0.01	They have their guiding awareness of their values & goals
Self –confident factors	-0.04	Present themselves with assurance & presence
Trust Worthiness	-0.04	Consistently act ethically & considered to be above approach
Trust Worthiness	-0.09	Build trust by being reliable and authentic
Trust Worthiness	-0.03	Admit mistakes and confront unethical actions in others
Conscientiousness	-0.04	Meet commitment & keep promises
Conscientiousness	-0.003	Hold accountable for meeting objectives
Achievement drive	-0.09	Result oriented with hive drive to meet objectives & results

Factors Co-efficient *	Correlation	Sub-Factors
Commitment factors	-0.04	Willing to make personal & group scarifies to meet organization goal
Optimism factors	-0.004	Persistent in seeking goals despite obstacles & setbacks
Optimism factors	-0.01	Setbacks due to Manageable circumstances than personal flaw

Here, quite a few sub-factors found highly significant with least values such as Conscientiousness, Optimism factors, Commitment factor and emotional factors. The sub-factors from the above Table 5, indicates against the mentioned main factors are important ones to have an impact on the stress factors of Field intelligence operators., which ranging from a lowest of -0.003 to -0.12.

B. Non Commissioned Officer's (NCOs) Group.

Table 6: Total Variance explained for NCO Factors – Stress Factors

Initial Eigenvalues				Extracted Sum of square loadings		
Components	**Total**	**% of variance**	**Cumulative %**	**Total**	**% of variance**	**Cumulative %**
1	24.65	52.45	52.45	18.41	39.18	39.18
2	8.06	12.15	69.60	8.36	17.78	56.97
3	5.52	11.86	81.47	6.35	13.52	70.49
4	3.22	6.86	88.33	5.26	11.19	81.69
5	2.67	5.68	94.02	4.86	10.36	92.05
6	1.83	3.89	92.91	2.75	5.86	97.91

For the NCO group, it is observed from the results (Table 6) that, both variance and the cumulative factors have shown consistent reduction and improved percentiles. The cumulative value of sum of square has shown highest value close to 98% where as it is close to 93% under Eigenvalues for the existence of reliability among select factor.

Table 7: Correlation Matrix for NCO - Stress Factors

Factors	Correlation Co-efficient *	Sub-Factors
Role expectation	-0.01	Perpetual gap Between Task undertaken and Army initiatives
Role expectation	-0.02	Assignment of unexpected work
Social Isolation	-0.004	Having hard time with bullying or intermediation t work
Social isolation	-0.05 Hard to talk to others due to shyness and anxiety	

Factors	Correlation Co-efficient *	Sub-Factors
Social isolation	-0.08	Lacking of nearness & personal interactive support
Geography	-0.01	Climatic conditions at work
Geography	-0.05	Terrain undulation difficulties
Geography	-0.02	Living conditions at different places
Morale & Disciplinary	-0.02	Being inactivity
Morale & Disciplinary	0.01	Feeling Monotony
Disturbance	-0.04	The fear about next move
Disturbance	-0.02	The hurried pace at work
Career worrisome	-0.03	No Idea about mental disorder to consult Psychiatrist
Career worrisome	-0.05	Not ready to accept that need from external source

The significance of sub-factors found for majority such as social Isolation (-0.004), Morale & Disciplinary factors, Role expectation, Social isolation, geography, Disturbance and Career worrisome factors respective sub-factors have considerable impact on the select stress factors for any small deviation.

Table 8: Cronbach's Alpha Value for NCO -Non Stress Factors

Variable	Cronbach's Alpha	No. of Variables
Role expectation factors	0.975	4
Social factors	0.974	4
Geography	0.973	5
Fear Factors	0.973	4
Morale & Disciplinary factors	0.973	4
Disturbance factors	0.973	6
Work Overload factors	0.973	6
Leadership style	0.973	6
Job Pressure	0.973	5

The internal consistency of the scale is validated through a test called Cronbach's Alpha co-efficient. The Value from the above Table 8 shows that consistency achieved with 0.975 to 0.973 for Role expectation factors and Job Pressure. However, Number of variables (Sub-factors) varied with different numbers for variables.

Table 9: Total variance explained for NCONonStress Factors

Initial Eigenvalues				Extracted Sum of square loadings		
Components	**Total**	**% of variance**	**Cumulative %**	**Total**	**% of variance**	**Cumulative %**
1	21.85	50.82	50.82	11.55	26.88	26.88
2	6.38	14.85	65.67	8.72	20.28	47.16
3	5.70	13.26	78.93	8.59	19.98	67.15
4	3.60	8.38	87.32	5.70	13.26	80.41
5	3.03	7.04	94.37	4.33	10.07	90.49
6	1.72	4.00	98.37	3.39	7.88	98.37

For NCO non stress factors the inverse trend found for both variance and cumulative components under both Eigen values and Sum of square loadings. However, the values vary as the variance started with 50.82 % to 4.00 % under Eigen values where as it is much lower with 26.88% to 7.88%. The cumulative has achieved same percent of about 98.37% under both

Table 10: Stress Factors for Junior CommissionedOfficers (JCO)Reliability test

Stress Factors	Cronbach's Alpha	No. of Variables
Role Expectation Factors	0.97	4
Social Isolation Factors	0.96	4
Geographical Factors	0.95	5
Fear factors	0.95	4
Sleep Disturbance factors	0.95	6
Career Worrisome factors	0.95	4

The internal consistency of the scale is validated through a test called Cronbach's Alpha co-efficient. For the above six factors, the value shown a consistent reduction is achieved from 0.97 to 0.95.

Table 10: Stress Factors for Junior CommissionedOfficers (JCO)Reliability test

Stress Factors	Cronbach's Alpha	No. of Variables
Role Expectation Factors	0.97	4
Social Isolation Factors	0.96	4
Geographical Factors	0.95	5
Fear factors	0.95	4
Sleep Disturbance factors	0.95	6
Career Worrisome factors	0.95	4

The internal consistency of the scale is validated through a test called Cronbach's Alpha co-efficient. For the above six factors, the value shown a consistent reduction is achieved from 0.97 to 0.95.

Table 11: Correlation Matrix for JCOStress Factors

Factors	Correlation Co-efficient *	Sub-Factors
Social Isolation factors	-0.49	Lack of constant contact with Family
Geographical factors	-0.49	Terrain difficulties at work
Disturbance factors	-0.49	Personnel continues operation, fear about next move,
		Uncertainty, Conflicts, Noise & Hurried pace
Career worrisome factors	-0.17	No idea about mental disorder to meet Psychiatrist

*At <0.5 significance

The sub-factors such as no idea about mental disorder to meet psychiatrist (-0.17), followed by lack of constant contact with family, Terrain difficulties at work and personnel continues operation (all: -0.49) correspond to the main factors such as Career worrisome factors, social Isolation, geography and Disturbance factors respectively. The mentioned sub-factors found significant enough for a slight variation to have impact on the given factors.

C. Junior Commissioned Officer's (JCOs) Group.

Table 12: Factors analysis for JCO Non Stress Factors

Components	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	38.69	89.99	89.99	25.49	59.30	59.30
2	4.30	10.01	100.00	17.50	40.70	100.00

Interestingly, unlike in NCO, for JCONon Stress cumulative has achieved 100% under both Eigenvalues and Sum of square loading indicating considering all factors found potential.

Table 13: Correlation Matrix for JCO Non Stress Factors

Factors	Correlation Co-efficient *	Sub-Factors
Self- confident	0.28	Present themselves with assurance and presence
Innovativeness	-0.28	Seek fresh ideas from wide variety of sources
Achievement	-0.28	Result oriented high drive

Factors	Correlation Co-efficient *	Sub-Factors
drive		to meet objectives & standards
Adaptability	-0.45	Smoothly handle multiple demands, priorities and change
Conscientiousness	-0.45	Meet commitments and promises

*At <0.5 significance

There were two significant values found under JCO – Non stress factors. -0.28 was the value found with three main factors namely self-confidence, Innovativeness and Achievement drive. Followed by Adaptability and Conscientiousness with correlation value of -0.45. The mentioned sub factors against the main factors found significant in influencing the factors for any given change.

D. Regression Analysis – JCO Group

Selected Variables for JCO group

Y = How to react your stress (consuming Liquor)

X1 = Emotional awareness (Recognizing ones emotion and effect (Realize about feeling what thinks, do and say)

X2 = Self –confidence (Decisive and able to make sound decisions despite uncertain and pressure)

X3 = Trust worthiness (Build trust by being reliable and authentic)

X4 = Conscientiousness (hold myself accountable for meeting objectives)

X5 = Adaptability (Flexible in how one see events)

X6 = Innovativeness (generate new ideas)

X7 = Achievement drive (Set Challenging goals and take calculated risk)

X8 = Commitment (the larger mission gives them a sense of purpose)

X9 = Initiative (pursue goals beyond what required or expected)

X10 = Optimism (Operate from hope of success rather than fear of failure)

X11 = Communication (Good at give and Take)

X12 = Leadership (Step Forward to lead as needed regardless of position)

X13 = conflict management (Stop potential conflicts and bring disagreements into open)

Table 14: Results of regression co-efficient

Model	R	RSquare	Adjusted R Square	Std. Error	Df	Sig. F value	Durbin-Watson Test
1	0.508	0.258	0.250	0.713	1	0.00	2.96
2	0.864	0.746	0.743	0.239	1	0.00	1.96
3	1.000	1.000	1.000	0.000	1	0.00	2.92
4	1.000	1.000	1.000	0.000	1	0.00	2.40

From the above table that the selected variables have passed the test of Durbin-Watson (Autocorrelation)

Interpretation: -

(a) A unit variation in Conscientiousness (Hold themselves accountable for meeting objectives) has resulted with R- square value of 0.258. That is a unit variation on this factor lead to a change in 25% of liquor consumption.

(b) Optimism: persistence in pursuing goals despite obstacles and setbacks (Operate from hope of success than fear or failure) resulted with 0.746 R-Square value (coefficient of Determination). That is 74 percent of variation can impact on Geographical indicator in case a variation of unit change in optimism.

(c) Similarly, for sleep disturbance factor (Hurried pace) R-square found to be 1.0, hence, here also same optimism shown that a unit change leads to 100% shift in Disturbance factor.

(d) Finally, for work overload dependent factor,both communication and optimism independent variable found to be influential. A unit change in both can lead to a change in work overload factor to great extent (1.00)

E. Regression Analysis –NCO's Group

The linear step-wise regression analysis for NCO is carried out with the same dependent and independent variables hence the results are below.

The dependent and independent variables remain same here as in case of NCO.

Model	R	R Square	Adjusted R	Std. Error	df	Sig. F value	Durbin-Watson test
1	0.587	0.345	0.342	1.031	1	0.00	1.624
2	0.912	0.832	0.831	0.523	1	0.00	1.624
3	0.975	0.950	0.950	0.284	1	0.00	1.624
4.	0.996	0.992	0.991	0.117	1	0.00	1.624

*Significance<0.5

Interpretation: -

(a) The Emotional factor – realizing the links between feelings and think, do and say has got an impact on Stress release factors to the extent of only 34 %.

(b) Self –confidence – making decisive and sound decisions in uncertain and pressure show the R^2 value to the tune of about 83%

The other two important factors such as Trust worthiness (build trust by being reliable and authentic) and conscientiousness (Hold accountable for meeting objectives) could influence to the extent of about 95% and 99% the highest. Hence, the above last three factors found influential factors on the stress management.

VIII. CONCLUSION

The Reliability validity and correlation matrix test were carried out in order to find the factors and their sub-factors as significant factors under stress and Non-stress groups.Under group FIO stress, the cumulative percent for both Eigen value and sum of squared loading found very close to 99% and the same for non-stress (FIO) was close to 98.40%. Hence, the selected factors of both stress and non-stress are relevant and close in having impact on each other.

Social factors, Geographical, Fear factors, Morale & Disciplinary, Disturbance, career worrisome, Work load, Leadership style and Organizational attitude are identified with corresponding sub-factors based on significant values as important stress factors for FIO group.

Emotional factors (4), Trust worthiness factors (3), conscientiousness and Optimism factors (each 2) and self-confidence, achievement drive and communication factors (each 1) with their sub-factors identified as significant factors under FIO.

Under group NCO, factors such as Social factors (3), geographical factors (3), Role expectation factors, Morale & Disciplinary factors, disturbance factors and career worrisome factors (Each 2) identified significant stress factors.

Under group JCO, social Isolation, Geographical factors, disturbance factors and Career worrisome factors (each 1) and their sub-factors found to be significant stress factors. Interestingly the cumulative percent value obtained is 100% under sum of squared loading factor indicating all factor selection under loading. The new factors loaded are self – Confidence, Innovativeness, Achievement drive, adaptability and conscientiousness.

A linear-step-wise regression analysis for group JCO shown that among the selected independent variable, the stress factor (4 dependent variables) are found with co-efficient of determination value (R^2) 100%, 74% and 25% for the factors sleep disturbance factor (Hurried pace), Optimism: persistence in pursuing goals despite

obstacles and setbacks and Conscientiousness (Hold themselves accountable for meeting objectives) respectively.

Similarly, regression results for NCO have shown that the co-efficient of determination value found highest from 83% to 99% for self-confidence, Trust worthiness and Conscientiousness factors. Hence they are they found highly significant on stress factors.

Hence, it is found from the analysis that there exists no association between different level of cadres and professional stress and are independent.

IX. Recommendations

Under Junior Commissioned Officer group, the sub factors such as communication (Good at Give and take) and Optimism (Operate from hope of success rather than fear of failure) are the two highly significant factors found influential. Hence the stress factor – How to react your stress (consuming Liquor?) depends mainly on communication and optimism factors. A unit change in these two could have an impact on the stress factor. Hence, to reduce stress factor, it is recommended (based on results obtained) that the two factors and their corresponding sub-factors to be kept at lower level possible so that the stress on the dependent factor is reduced.

While under Non Commissioned Officer group, trust worthiness (Build trust by being reliable and authentic) and Conscientiousness (Hold accountable for meeting objectives) found two highly potential factors to influence on the dependent variable – How to react your stress (Consuming Liquor?). In order to reduce the above stress among the NCO group, it is recommended to keep the above two independent variables and their corresponding sub-factors at possible lower pace. So that their influence on liquor consumption to reduce stress is minimized.

Fear factor (Gallant & Heroic deeds and extreme repeated & continued treat to personal safety) and morale & Disciplinary factors (lack of unit cohesion & Esprit) factors found highly significant (Correlation co-efficient). Hence among FIO alone, the above factors are having a direct relation with stress factors. Any change (Increase or decrease) factors numeric rating leads to high or low degree of correlation (Vice-versa).

Therefore, it is important to keep the above discussed all factors (Communication, Optimism, Trustworthiness, Conscientiousness, fear Factor and their corresponding sub-factors (Above discussed) to be on lower pace to have lesser stress impact on different cadres and groups of Military Intelligence.

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CUSTOMER BEHAVIOUR TOWARDS INTERNET BANKING: A STUDY OF DISTRICT ROHTAK

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ABSTRACT :

Technology acceptance, especially internet banking acceptance has becomeanimportant issue in the business world today. Technology changes has changed the way banking done in the present scenario. Internet banking has become a convenient and common phenomenon with increased and easy access of internet over smart phones, tablets and computers. The campaign "Digital India" start by Hon'ble prime minister of India has encouraged people for the usage of internet banking.This research paper focused on "Customer behavior towards internet banking" an exertion has been through towards summarize and synthesize the two maximum relevant judgments of the study viz. Internet banking and customer. In this study together primary and secondary facts are used for gathering the useful data which is cooperative in related research. Two hundredquestionnaire has been collected and analyzed with the help of 16.0 form of SPSS.

Introduction

In India's communication history august 15th marked as a new jump, when a state retained Telecom Company Videsh Sanchar Nigam ltd. (VSNL) offered commercial Internet services. Till at that time the ERNET or NICNET linkages gave the Internet connectivity in the direction of the selected rare researchers and administration officials. To Indian community VSNL launched that one "Gateway Internet Access Services" (GIAS) through a modest estimation of 20,000 networks in the system of missile and TCP/IP dial-up linking in the first time of procedures. Indian government in mid-nineties acceptable to private productions for present telecom service area which hold Wire-less telephony facilities, Basic telephony facilities and Internet services.

Meaning of internet banking

Internet banking is the system that provides the facility to the customer to conduct the financial and non-financial transactions from his net banking account. The user can transfer funds from his account to other accounts using a website. The customer uses resource and a medium for making transactions. The resource that a uses might be an electronic device. The internet facility makes the technology possible.

Literature Review

Pikkarainen et al. (2004) studied the customer adoption of online banking in the classy of the TAM included with new factors laid on internet banking approval. He conclude that perceived usefulness and data on internet banking were the main variables influence on adoption of banking.

Banjo A.K (2006) studied the variables that effect on the adoption of online banking personalization. He ascertained which factors had an immediate effect on it. Under that study, researcher approached some framework, namely the commitment-trust theory and the theory of planned behavior. That study showed that user behavior with internet banking is much focused and goal oriented. He suggest that the banks needed to saw the innovative methods that improved the client's perception.

Baraghani S.N. (2007) proposed the increment of TAM model with TPB is predicts the acceptance of user. That study explains that both technology and trust based issues was important for customer's behavior. He focused on those customers who are inexperienced or one time user of internet banking.

Sudeep S (2007) explained the qualitative and qualitative issues of customers about internet banking. He used TAM for predicting internet banking. The results of this study showed that trust and privacy are negative influenced on internet banking use.

Singhal, D & V.P Padnnanabhan (2008) explored various internet applications that are responsible for internet banking. The researcher analyzed that 'utility request', 'security', 'utility transaction', 'ticket booking', and 'fund transfer' are major factors.

Maheswari N. (2011) evaluated, analyzed and compared the opinions and satisfaction level of customers of e-banking services provided by the banks. Under this study, the researcher wants to understand and compared the problems faced by the customers using e- banking services. That study was restricted to the customer's perspectives. Therefore it did not cover any performance appraisal or opinion on e-banking services for bankers' perspective.

Shiffu Abrol (2014) studied the impact of dimensions that directly or indirectly effect on customer satisfaction and business performance towards internet banking. Most of the banks customers satisfied with the internet banking services. He measured the views of banks customer and managers towards e-banking by their likes and dislikes.

Jawaid and Hussan (2014) determined the effects of service quality dimensions on customer satisfaction. A survey research had been adopted by using the SERVQUAL model, Reliability analysis's Kaiser-Meyer-olkin (KMO) and Bartlett's test, factor analysis, total variance test are apllied by the researcher.

Rajput, S.U (2015) studied the investigating customer's views regarding e-banking. He covered customer's view about internet banking and measures the impact of promotional measures used by banks to promote internet banking. In her study explained that age, gender and income also play an important role in the usage of e-banking.

Research Gap

The most of the research explained the adoption of internet banking and some studied the factors affecting constant usage of internet banking. Some studies emphasized on the dimension of service quality and some about the belief and its precursors towards the acceptance of internet banking. Some had focused on the influence of internet banking on consumer pleasure and assurance and performance. The mentioned study goals on to fill up that research gap by reviewing the influence of internet banking on consumer performance on the beginning of subsequent magnitudes viz. trust, service quality, perceived ease of use, perceived usefulness, customer satisfaction and commitment.

Objective of the Study

- To study the factors that affect customer behavior towards internet banking.
- To study the impact of trust, service quality, perceived usefulness, perceived ease of use, commitment on customer behavior.

Research Methodology

In this study together primary and secondary facts are used for gathering the useful material which is cooperative in related research testing. The data is collected by survey. "Primary information is the original information which is composed by the researcher for the scheme on hands". The survey is showed by using convenient sampling for the reason that it is challenging to reach all respondents in dissimilar. Two hundred review questionnaire had been gather as of the defendants with diverse of gender, age, monthly income and qualification. After gathering all the questionnaire, it resolve be changed by statistic software to comportment result. The secondary data is composed by books and periodicals. The procedure of producing measure things was confirmed after studying the current fiction. The survey have seven sections viz. general information, trust (5 statement), service quality (5 statement), commitment (5 statement), perceived ease of use (5 statement), perceived usefulness (5 statement), and behavioral intention (5 statement).

Formulation of Hypothesis

H1: Effect of customer behavior on commitment in e- banking.

H2: Trust in e- banking absolutely effect customer behavior.

H3: Internet banking service quality positively affects customer behavior.

H4: Perceived ease of use positively effects on behavioral intent in e- banking.

H5: Perceived usefulness absolutely affects behavioral intention in e- banking.

Impact of Internet Banking on Customer Behaviour

PCA is for getting the data from too huge number of variables in to a small as well as in an expressive group of variables having a minimum loss of data. To explain the factors in their common original dimensions and to interpret the inter relationship between wide range of variables EFA is used. On a schedule of 30 items it was run. When EFA and PCA was run, factor loading and communalities considered good greater than 0.5 and Eigen values retained equal to or greater than 1. Trust, commitment, service quality, perceived ease of use, perceived usefulness and behavioral intention are that indicators related to internet banking. There are 5 items that were to be measured in all the factors that are considering in that study.

Factor 1: Service Quality This element consist of five things viz. easy navigation, friendly behavior, willingness of employees, fast service and feedback service. 79% of the respondents found that the banks website is easy to use. Website easiness is the significant factor that encourage customer to use virtual banking and remain active with it.

Factor 2: Trust It comprises of 5 items viz. feel secure in doing transaction online with bank, believe on information presented on your bank's website, banks doesn't provide information that harm your self-esteem, trust your bank of not using your personal information, bank's website is secure. 85% defendants have expectation on their banks used for not consuming their private data for another use.

Factor 3: Commitment It consist of 5 items viz. not stop consuming your bank website in the future, visit your bank website if you requisite, your relations are problematic free, bank website available in the language you want, your bank take care of problem properly.87% respondents committed with their bank.

Factor 4: Perceived Usefulness It comprise 5 items viz. online bank enhances your effectiveness, enhance your effectiveness in seeking information, online banking saves your time, online banking makes easier banking services, quick transaction activities. 95% respondents said internet banking is very useful for utilizing banking services.

Factor 5: Perceived Ease of Use It contains of 5 items viz. easy in the direction of find information you needed regarding banking transaction, information presented on bank website is flawless and logical, website of bank can be easily navigated, user menus are clearly categorized, and guidelines provided on bank website help

you to do banking. Respondents said that internet banking easy to use because guidelines are provided on bank website help them to do banking.

Factor 6: Behavioral Intentions It consist of 5 items viz. use online banking for your banking needs, intend to continue doing online banking, strongly recommend others to use virtual banking, you would understand yourself consuming the virtual banking for handling your banking transaction, and favorable intention would be to use virtual banking somewhat than old banking on behalf of your banking operation. 92% respondents found internet banking beneficial as it saves time and cost of consumers.

Table 4.2 Factor Profile of Data from Bank Customers

Variables	Mean	Standard deviation	Factor loadings	Communalities	% variance explained	Eigen values	Cronbach alpha
Factor 1 Service Quality					7.291	19.413	.369
Consumer facility are stress-free to access and obtainable	3.92	.913	.731	.771			
Friendly and courteous manner of employees	3.96	.953	.730	.753			
Readiness to attend and answer to your needs	4.01	.991	.810	.827			
Fast and efficient service	3.69	1.31	.625	.780			
Factor 2 Trust					5.310	5.668	.567
Trust for not using personal information inappropriately	4.15	.989	.718	.766			
Feel secure in doing transaction online with your bank	4.16	.983	.713	.805			
The practices that harm customer's self-confidence or abolish trust are not specified on your bank's website	3.91	1.02	.741	.738			
You believe the information presented on your bank's website	3.84	1.15	.776	.805			
Your bank's site is secure for your credit card information	2.48	1.16	.665	.704			
Factor 3 Commitment					6.329	6.024	.746

Variables	Mean	Standard deviation	Factor loadings	Communalities	% variance explained	Eigen values	Cronbach alpha
Visit website if need banking services	4.20	1.02	.870	.837			
Devoted because contacts are problematic free, precise and pages transfer easily	4.02	.902	.720	.743			
Devoted for the reason that banks proceeds care of difficulties correctly and pay off for the difficulties they generate	3.35	1.33	.627	.725			
You will never stop consuming your bank website in future	2.35	1.22	.527	.726			
Website is obtainable in the semantic you can know	3.50	2.54	.726	.745			
Factor 4 Perceived Usefulness					4.993	3.709	.695
Online banking enhances effectiveness in banking transactions	4.31	.653	.556	.761			
Enhances your effectiveness in information seeking regarding various schemes.	3.27	.654	.588	.622			
Online banking saves your time	3.56	.658	.422	.523			
Find doing online banking useful	4.37	.681	.688	.693			
Useful for utilization of banking services	4.43	.549	.705	.676			
Factor 5 Perceived Ease of Use					4.762	2.862	.334
Website of your online bank can be easily navigated	3.21	.854	.724	.654			
Simple to do banking	4.09	.984	.729	.853			
Website looks	4.17	1.05	.712	.678			

Variables	Mean	Standard deviation	Factor loadings	Communalities	% variance explained	Eigen values	Cronbach alpha
professionally designed							
User list of options are visibly regarded as and placed out in the display	4.32	.627	.757	.775			
Demonstrations or guidelines helps in doing banking	4.06	.949	.729	.716			
Factor 6 Behavioral Intentions					3.99	2.761	.383
Use online banking for banking needs	4.36	.763	.728	.718			
Strongly recommend others	3.20	1.49	.600	.714			
Intend to continue doing online banking with your bank	3.00	1.35	.642	.523			

Testing of Hypotheses

HO1: Commitment impact customer behavior positively on internet banking. Thus first hypothesis is accepted.

HO2: The effect of trust on internet banking positively effect on customer behavior. Thus this hypothesis is accepted.

HO3: Customer behavior positively influence on service quality in internet banking. Thus this hypothesis is accepted.

HO4: Perceived ease of use positively effect on customer behavior in internet banking. Thus this hypothesis is accepted.

HO5: Perceived usefulness positively effect on customer behavior in internet banking. This hypothesis is also accepted.

Table 4.10: Results of Hypothesis Testing

Variables	P.value	C.R.	Results
CS->Commit	.001	3.357	Accepted
Trust->CS	.002	3.259	Accepted
SQ->CS	.020	2.185	Accepted
PEOU->Behaint	.03	2.140	Accepted
PU->Behaint	.000	3.160	Accepted

Conclusion

In today's competitive environment, customer satisfaction is playing an important for the survival of the business. The overall study indicated that educated people used more internet services. The results shows that not only trust and service quality of banks but also the commitment, perceived ease of banking services and perceived effectiveness as well impact on customer to usage the internet facilities and also affect the behavior in the direction of use the online banking facilities. Trust is based on the privacy and security facility given by the bank. The customer want that the bank not use their personal information for another purpose and doesn't gave their personal information to third party. The results of our study point out that a tough and optimistic association among all the magnitudes of online banking and customer behavior.

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A STUDY ON WORK SATISFACTION WITH RESPECT TO WORK-VALUE CONGRUENCE

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ABSTRACT :

Work-value congruence and its effect on employee job satisfaction were investigated in this study. Total 123 responses were collected from employees in Pune city on a 20 item scale. The scale comprised on two subscales; one (work-value congruence) was adopted from Ucanok (2009) and other (Work satisfaction) was developed by the researchers. The scale was found reliable. The findings suggested that there is significant positive correlation between work-value congruence and work satisfaction.

Key Words- *Work-value, Work-value congruence, Work Satisfaction*

Introduction

Zedeck (1997) defines work values as goals employees strive to achieve through employment.

A value system is the sum of enduring standards of perception, attitudes and modes of behavior that serve the existence of a society. (Wright, Cullinan, and Bline1997; Meglino, and Ravlin1998)

Work values are more specific than life values. Work values predominantly emerge from one's basic value system, culture and help individual to find direction in organization setting. Vast literature is available on work values. Many scholars have given scale to measure work values. Super (1970) first developed the inventory of Work Value which contained 45 items. After that many attempts were made to compress and rectify the scale, yet the scale is popular amongst researchers today also. This study however focused on Work-value congruence rather than work-values to investigate its effect on work satisfaction.

Work-value congruence is the process by which employee think that their life values can be (cannot be) achieved through the job they are doing. If they think so then work-value congruence is high. This study tried to investigate the effect of such work-value congruence on job satisfaction.

Job/ work satisfaction is much studied phenomenon. Most of the antecedents are known from the existing body of knowledge. However scarce resources are available

which investigated the effect of work-congruence on work satisfaction despite work-value congruence seemed to be antecedent of work satisfaction.

Literature Review

Bolton (1980), worked on work values inventory and developed second order dimensions of work values inventory. Author made the scale short and understandable. The author performed factor analysis of original 45 item work values inventory. Based on results of factor analysis, the author categorized the scale into six factors (second order dimensions) viz.-stimulating work, interpersonal satisfaction, economic security, responsible autonomy, comfortable existence, and esthetic concerns. The author further added that these six factors can be administered to variety of employees with respect to age, education and intelligence level. The study provides the guidance for hand scoring of the items. After this study many other studies also attempted to compress the 45 item work values inventory into various factors through factor analysis.

Li, Liu and Wan (2007), surveyed 316 Chinese respondents. They found that old age employees perceive high work values. Their findings further reveal that male, high position employees also hold high work values perceptions compared to their counterparts. The study also says that education and work value perception are significantly positively correlated. In summary research work proposes that the demographic effect on work values hold importance when it comes to management theory and practices.

Judge and Bretz Jr.(1991) in their working paper noted that individual work value orientation can affect job decision significantly when organization's value system (Where they are applying) are known at least to some extent. The analysis found that some work values viz.-concern for other, achievement orientation and fairness had significant effect on decision making process than did pay and advancement opportunities had .The authors also noted that when there was congruence between individual's values with those of organization or job then individuals were more likely to be satisfied in their jobs and more likely to be with the same organization for longer.

Smola and Sutton (2002)collected data from 350 respondents. The data so collected was analyzed. Then the results were compared to the similar study which was conducted in 1974. This comparison of results showed that the work values differ across generations. The research also suggested that work values change as the employees become older. The authors noted that American workers wanted to balance their work and personal objectives. Authors further suggested that there should be continuous research in this area as work values keep on changing with time and age of the same person. Such findings will help managers to manage their employees and organization as whole effectively.

Mannheim(1993) found that men and women differ in their value perception on only one dimension- Upward Striving. The results showed that women do not strive to get promotions compared to their male counterparts. The authors attributed this to lack of ambition due to gender discrimination that exists. The research further found that women do not relate to their jobs through an ideological perspective but through status and situational aspects.

Wong and Yuen (2015) attempted to test the reliability of the work value inventory of 45 items. They found that the scale is not reliable. They analyzed the results and suggested some measures to improve the reliability of the scale. The study suggested that one should consider the cultural differences which affect the work values and general values held by that culture and this in turn causes differences in individual responses to work value inventory subscales.

Ucanok (2009), examined the effects of work values, work-value congruence on organizational citizenship behavior. The study validated the scale of work values and work- values congruence and suggested that they can be used in future research as they were found reliable. This study introduced an important concept- work-value congruence. Work-value congruence gives better insights into work value's understanding and its relationship with the attitude towards job/ organization. Author explains that the work-value congruence is a process which explains the relationship between values and behavior just as Vroom's Expectancy theory does. The findings of this research revealed that the workers who believed that they can achieve their values through the act of working (in current job) were responsible employee of the organization.

Hypothesis of the study

H1- Work-value congruence is significantly positively related with the work satisfaction

Research Methods

Instrument for data collection was the Work-Value congruence scale developed by Ucanok (2009). It is 12 value item Scale. All the items were rated on 4 point scale where 1 represented 'cannot be achieved through current job' and 4 represented 'can be achieved only through current job' The second part of the questionnaire consisted of three questions to check the work satisfaction of the respondents. The last section included forced choice questions to collect demography of the respondents. There were total 20 items in the scale.

Around 240 employees of various organizations in Pune city (India) were approached using non-probabilistic judgmental sampling method for getting the questionnaire filled. Only 130 people voluntarily filled in the questionnaire. Out of

these 130 questionnaires 7 had to rejected due to either incompleteness or unengaged responses. Therefore finally 123 responses were analyzed through SPSS.

Data Analysis and Results

The reliability of the scale- It is very important that the scale used in data collection is reliable; otherwise the findings will not hold any integrity and generalization would be another challenge. Therefore the reliability of the scale was tested using Cronbach's alpha coefficient. The result is shown in table no. 1 below.

Table no. 1- Reliability Statistics

Cronbach's Alpha	N of Items
.881	20

From table no 1 it was observed that the Cronbach's alpha value is greater than .7 which is the benchmark value for a reliable scale (Nunnally & Bernstein, 1994). Therefore the scale is considered reliable.

Descriptive statistics

Table no. 2. Descriptive statistics of subscales

	Mean	**Std. Deviation**
Mean of Work-Value Congruence subscale	2.5610	.83812
Mean of Work Satisfaction subscale	3.2439	1.47954

The mean values suggested that there was high congruence between job characteristics and value system of respondents. In other words the work-value congruence perception was moderately high for respondents. The mean value of satisfaction scale also suggested that the respondents are moderately satisfied. However the high standard deviation value for work satisfaction scale suggested that the responses are widely distributed around mean value.

Hypothesis testing

H1- Work-value congruence is significantly positively related with the work satisfaction

To investigate the relationship between work-value congruence and work satisfaction one way ANOVA test was run in SPSS.

Table no. 3 ANOVA

	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	28.392	3	9.464	5.918	.002
Within	59.169	37	1.599		

	Sum of Squares	df	Mean Square	F	Sig.
Groups					
Total	87.561	40			

From ANOVA table the significance value (p) of F test was noted and found that it is less than .01 (p<.01). Therefore the null assumption that there is no relationship between work-value congruence and work satisfaction was failed to be accepted. That meant that there is significant relationship between the two variables. To examine the strength and direction of the relationship Pearson's correlation test was used.

Table no.4 Correlation Correlations

	Mean of Work-Value Congruence	Mean of Work Satisfaction
Mean of Work-Value Congruence	1	.512(**)

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

The correlation value was found to be .512 and the significance value was less than .01 that means this correlation is statistically significant. In other words the hypotheses 'Work-value congruence is significantly positively related with the work satisfaction' was accepted as null hypothesis was failed to be accepted. The correlation value (.512) indicated that the correlation is moderately high. It means as work-value congruence increases the work satisfaction level also increases significantly.

Discussion and Practical Implications

This study found that there is significant correlation between work-value congruence and satisfaction. Therefore HR managers should give due consideration to investigate the work-value congruence perception of their employees. If work-value congruence perception is low, then HR managers may design a new job environment which may give opportunities to their employees in fulfilling their own values. The other possibility is that HR managers should asses the work values of the candidates before they get hired (during Interviews). This would help them understand if the candidate's personal values can be in line with organizational value system or so. Then only the decision about the candidate being hired should be taken. HR managers would have been practicing it based on their wisdom. However this study gives them a concrete scale which was found reliable to use for hiring purpose.

To the surprise the demography of the respondents had no relations with the work-value congruence and work satisfaction. The literature suggested that as the employees grow older their value system also changes. Therefore authors expected that work-value congruence levels may be different across the ages, gender,

education levels ad income levels. However no such relationship could be established in this study. This study due to its limited scope cannot answer as to why demography did not have any effect on work-value congruence. Further research is needed in this direction.

Limitations and Future Scope

The small sample size limits the power of findings in generalization. The future study may include larger sample size. Future study may also include work-value scale to examine the work value perception and work-value congruence and their impact on satisfaction and intention to stay with the organization.

Work-value congruence is a concept that is believed to exist in explaining relations between basic variables such as values/goals and attitudinal variables like centrality,

Satisfaction, citizenship and commitment. It is defined as the distance between one's values or goals and one's belief in attaining the specific value/goal through the act of work. Bourdieu [7], [8] asserts that the formation of goals in a specific life sphere, change according to the belief in reaching that specific goal. Individuals observe events around them and make judgments –consciously or unconsciously- about the

Attainability of their goals and act according to their perception of the attainability of the goal. Zedeck [70] argues that work values influence the importance of work in the life of the individual, and add that this relationship is moderated by the perception of one in attaining the specified goals through the act of working (p.327).

An empirical study questioning the attainability of work values through working has not been found in the literature. Therefore, a pilot study by the author was designed to

Investigate the link between values and work. The participants were asked to rate work value dimensions defined by Tevruz and Turgut [62] in terms of their attainability by the act of working on a four dimensional scale. The results showed that the least attainable values through working were 'religiosity' and 'avoidance' and the values that can definitely be attained by working were 'making a living' and 'gaining status'. When these 12 work values are placed in the dimensions they were

previously found to belong in Tevruz and Turgut's study [62], the work value dimension most likely to be attained by work occurred to be the 'worldly work values' and the dimension least likely to be attained emerged as the 'normative values'.

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IMPORTANCE OF GREEN HUMAN RESOURCE MANAGEMENT

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ABSTRACT :

Although th From last three decades till present time our country is continuously moving forward towards industrializations which supports for employment opportunities, exploring business by extracting different products by use of computer based technology and by adopting other practices like digitalization for sustainability. All these helps in development and progressing in areas like(1) Standard of living (2) Elimination of Environmental hazards by adoption of solar energy, paperless offices and atomization,

Failure of adoption and implementation of green practices, elimination of environmental hazards, ultimately results into threats to human being and sustainability. Considering the need of environment protection many organizations are coming forward and making efforts towards conversion of traditional human resource management into green human resource management. Developing a green human resource culture from bottom to top for any organization is not really a simple and easy task but at least making pro-environmental policies, rules regulations and implementation of it can be effective tool for gradual conversion of traditional human resource management into green human resource management. The focus of the researchers is towards the green human resource management and its importance, various green human resource practices and policies adopted and implemented by the organizations within India. As like human resource management green human resource management also has three important perspectives like personal, organizational and social but with extended focus which can support and help for sustainability of the ecosystem.

Keywords: *Environmental hazards, paperless offices, pro-environmental policies, ecosystem*

Introduction

Due to the growth in the industrialization, the rate of environmental degradation is increasing day by day and is leading to global warming therefore, it is necessary for industrial organizations to create sense of awareness among their employees about need of an environment protection and maintaining international environmental standards. To achieve this organization must adopt and implement environment

friendly practices and international standards like "ISO-14000 and ISO-45000". By adopting green concept majority of the organizations have transformed culture of human resource management into green human resource management.

Researchers have unique contribution to support and bring the awareness of Green HRM by pointing the importance to adoption and honest implementation of environmental practices with a specific purpose of organizational functioning with the significant strength of HRM practices. Green management is the exercise whereby organizations develop an environmental management strategies and proactive environmental management initiatives to protect the environment. It is universal truth that, no change is possible without employee's participation and involvement including change in human resource management to Green HRM, which has a positive impact on the character of environmentally responsible attitudes and behavior in employee's life.

Literature- Review

Researches and introduction on Green HRM indicates the need of integration between human resource management and environmental management. Study of correlation between HRM and GHRM draw the results that, HRM imparts to intensify the quality and value of environmental performances, empathetically different green HRM practices can develop willingness among employees and inspires them for remaining committed by virtue of their contribution, efforts, suggestions and ideas to the greening of organization wherever they work.

People in society may have different perception for green. But for environmentalist or nature devotees green means an area or land that is surrounded with grass, herbs plants trees, natural resources i.e. something relating to nature. There is a growing awareness among employees of an organization which really has significance of green issues. According to them green workplace is environmentally sensitive, efficient and socially responsible resource.

Going green includes earth conservation, protection of natural resources and supporting to preservation of resources, which imparts implementation of determined lifestyle changes that will help individual to create and live in an eco-friendly environment. To do this every individual is duty bound to be aware about the environment and changing their behavior, attitude and lifestyle to minimize the practices or activities that cause the degradation of the environment. Any action that organization takes by focusing on sustainability of the resources it contributes a positive impact on the environment. Every small change by every individual in their life style makes a green work life and green environment for present and future generation.

For best reuse of the waste as a resource the entire waste which is generated is classified into various classes like-

i) Industrial Waste: Urban, Industrial,Biomedical,E-waste

ii) Municipal Corporation waste: Biodegradable, Recyclable, Inert etc.

iii) Construction Waste: Construction waste, demolition waste etc.

iv) Road Waste: Road waste, Excavation, Soil and rocks and others

Green practices in organizations

It is essential to develop an organization ecological, economical and sustainable, to do this it is essential for that organization to adopt and implement green practices. Some of the green practices broadly adopted and implemented by various organizations in today's scenario are as mentioned below.

1. E-filing
2. Flexi work
3. Car pooling
4. Job sharing
5. Green payroll
6. Green printing
7. Public transport
8. Company transport
9. Energy efficient office
10. Online employee training
11. Reduction in carbon footprint
12. Use of sanitary vending machine
12. Development of vermin fertilizer
14. Proper disposal of solid and E-waste
15. Recycling of waste material i.e. scrap

Objectives

The objectives of the research paper are

1. To understand the scope of Green Human Resource Management
2. To highlight the impact of environmental degradation on future generations

3. To find out measures available for development & expansion of Green Human Resource Management
4. To encourage practicing human resource managers for taking initiatives in conversion of human resource management to Green Human Resource Management

Benefits of GHRM

1. GHRM develops eco-friendly habit among employees
2. GHRM builds brand image of an organization
3. GHRM helps in improving employee morale
4. GHRM attracts competitive employees
5. GHRM helps to retain talent

Applications of Green Human Resource Management

1. Green Human Resource Management Function & Processes

The professionals working in human resource department plays a vital role in transforming the organization culture including implementation of green policy into practice and can create a green and sustainable culture within the organization. Therefore, such green practices help in fulfillment of green objectives and in achieving an organization goal throughout the HRM process from recruitment to retirement of an employee. Factors' coming in between recruitment to retirement contributes for developing and implementing green principles and practices.

2. Employer-Employee Participation in Adoption & Implementation of G reen Human Resource Practices

Characteristics and perspectives differ from individual to individual. therefore, when these people comes together by way of joining an organization, it becomes the mixture of employees with different attitude, characteristics & perspectives, naturally they adopt and follow different practices with different behavior in their everyday life causing different effects on the organization working, culture as well as environment. Some may follow the practices which results into degradation of environment or becoming environment friendly. Employees who are energetic, strategic, ethical, and involved themselves in understanding environmental management fundamentals can present more desirable, pleasant and effective environment in an organization.

For development of effective green management, that results into successful improvement in environmental management systems or in framing policies at the work place needs active participation in green initiatives. Employee participation is

crucially influenced by identifying values; awareness and actual reap recognized by the employees, society and stakeholders.

3. Government Initiatives

Government has make stringent rules by amending the environment related laws, focusing on more tree plantation programs, taking steps ahead to convert non-agricultural land into agricultural land, banned on manufacturing of single use plastic products, save water, use of solar energy, paperless offices, conversion of diesel/petrol vehicles into electronics segregation of solid waste as "Ola Kachra and Sukha Kachra" etc.for its easy disposal and reuse.

India's PM Hon. Narendra Modi said at the UN Climate Action Summit "We must accept that if we have to tackle the climate crisis, what we are doing today isn't enough. What we need is a global behavioral change" He also urges world leaders to act immediately to protect the environment.

"Earth is issuing a chilling cry: Stop..Time is running out. But it is not too late."

(UN secretary-general Antonio Guterres)

"How dare you. You have stolen my dreams and my childhood with your empty words. We will not let you get away with this. Right now is where we draw the line."

(Greta Thunberg, 16 year old climate activist, to world leaders)

To protect environment Government of India had made applicable many laws to Industries and other sectors, some of the laws are as mentioned below:

1. The Water(Prevention & Control of Pollution)Act,1974 (As amended in 1978 & 1988)
2. The Air(Prevention & Control of Pollution)Act,1981(Amended in 1987)
3. The Environment (Protection) Act, 1986.
4. The National Environment Tribunal Act, 1995.
5. National Green Tribunal Act, 2010.

4. India Green manufacturing Challenge (IGMC) Initiatives

Organizations which participate in green management competitions are assessed by the authorized agency "India Green manufacturing Challenge (IGMC)" which is an awarding platform for organizations. Renowned organizations in India had been honored at "India Green manufacturing Challenge (IGMC)". This organization appeals industry for setting SMART goals in green initiatives which will raise awareness and inspire other industries to join activities relating to green initiatives, ultimately developing a GHRM.

Being "green "is great for the planet, it strengthen the organizations brand, makes an organization economical, motivates and inspired employees.

To make a continual progress it is essential for an organization to asses' environmental impact and to identify areas for improvement viz; scope for wastage reduction, recycling of waste, water conservation, use of less energy etc.

Observations

Researchers have shown that, adoption and implementation of green human resource management develops constructive relationship between organization, human resource management and environment.

Organizations have numerous reasons to adopt and implement green human resource management practices that will prove beneficial for an organization and their employees.

It is said by the entrepreneur that "take my factories, buildings and money etc. except the employees as with the help of people we will create the empire again". This indicates employees are valuable and important asset for an organization.

As like the human resource GHRM practices helps in improving employee morale and resultantly to save environment that will be beneficial for both the organization and employees.

Organizations which are not aware about green human resource practices, its concept, and policies may lose their talent or innovative employees, just because of absence of motivation.

Organizations that have implemented green practices developed their brand as an eco-friendly organization and thus offering socially responsible incentives.

Most of the employees are aware about eco-friendly practices adopted by some organizations. Such organizations think about survival of future generations, due to this ethical reason only new employee attract towards such organizations Employees those who can understand the importance of environment protection and its advantages like to work with organizations which are implementing green human resource management practices.

In the race of attracting most creative and innovative employees, organizations are trying to attract the talented and potential employees by providing environmental friendly culture and practices.

Many organizations converted themselves as energy efficient by use of technology, innovative practices like preferring energy efficient windows and doors which decreases heating and cooling costs, water conservations system, low flow toilet to reduce water usage etc.

Many organizations are recycling and using a long lasting green product which helps in reducing the amount of energy.

Conclusion

From the above information and finding it can be concluded that

1. Environmental degradation if not controlled will have a negative impact on future generations
2. Lot many measures are available for development & expansion of Green Human Resource Management
3. Human resource managers should necessarily take initiatives in conversion of human resource management to Green Human Resource Management Organizations like Tata Steel, Akzonobel, Wipro, Veolia Water, Clapo India, RICOH, Microsoft, and Infosys are taking measure which has an impact on development of people and expansion in the area of green HRM.
4. Effective implementation of green HRM helps employees and employers to learn and enjoy many things either from work life or private life resultantly they well be attracted towards environment.
5. Green HRM practices if implemented rigorously, consistently and honestly would result in attracting individuals to an organization and reduction in environmental degradation.
6. Creation of green awareness among employees by implementing Green programme and practices can help in

   i) Reducing environmental degradation.

   ii) Retain the resources for future generation

   iii)Motivate and inspire employees
7. Green HRM efforts results in increased efficiencies, sustainable use of resources, less wastage, improved attitude, work life, employee performance and retention

Recommendations

1. Everyone should adopt the green practices as everybody's life including future generations is depended upon it.
2. Human Resource Department professionals should focus on greening the business considering it's a social responsibility.
3. Each employee in an organization shall commit to contribute their efforts and ideas to the deliverance of their organization.

4. By means of green HRM each member of the organization shall help management and human resource department to reduce employee carbon footprint.
5. Everyone shall make efforts for sustainable use of resources, less wastage, improved attitude and work life,

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PERFORMANCE MANAGEMENT SYSTEM: A TACTICAL TOOL FOR HUMAN RESOURCE MANAGEMENT

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ABSTRACT :

In this era of extreme competition, one of the strategies to be a successful organization is to attract potential candidates for any particular post and retain the key employees to have better and highly motivated workforce. So what actually is the requirement of an organization and managers to attract, retain and motivate a talented workforce? Now a days, In any industry whether small or big, human resource management not just play its traditional role as such but it has expanded its dimensions to assess its employees' performance and manage it with a new system which has evolved due to new developments in the field of HRM known as PERFORMANCE MANAGEMENT SYSTEM (PMS). It elaborates how the organization aligns the performance management system with the organizational system and articulates the company business objectives to the individual goals. This paper deals with the effectiveness of PMS. The result of the study shows that a performance management system acts as a strategic tool and a powerful foundation for the employees to achieve their ambitions and organizations to achieve their key financial goals.

Keywords: *Human resource Management, Performance, Performance Management System*

Introduction

Performance has been the key focus of an achiever, but in this competitive scenario and era of LPG Model, competitive advantage has become more critical for any organization. This has forced them to review and revise their old strategies and develop new and unique ways and means to enhance employee's performance. Performance Management system is a solution to the respected scenario.

Human Resource remains neglected in the traditional scheme of management system, but it has gain its due share in Performance Management System, because of its infinite potential for managing and improving performance. It was realized that all other resources are equally available to all such competitors. HR is the only resource which, if made committed, can make the difference and help an organization to gain a competitive edge over others.

Many companies rely on performance management system to remain ahead in the race. Because performance management system helps employees to know that what exactly is expected out of them and assure line managers and strategic planners that employee behaviors will be aligned with the organization's goals. In order to create an effective Performance Management System, it is required that each employee should be fully aware of his role in the organization. By understanding what type of output is expected of them and what fundamental roles do they play in achieving the vision, mission and strategy, the employees' contribution can be maximized. Under the global economic crisis, continuously improved performance has become a major challenge for every organization, in one way or the other.

Researches in the field of Performance Management System

Various researches have been conducted in the field of performance management system. Few are discussed in the present study.

Johnson and Kaplan (1987) elaborated that there is a necessity to have new management approach to manage the performance of organizations as the traditional ways have lost their importance and relevancy. Therefore, Performance Management System was developed for managing the performance within the organizations. The PMS must be able to produce relevant, specific and timely information for planning and decision making purposes.

According to the study conducted by Hewitt Associates (1994), the impact of performance management on organizational success substantiates that performance management system can have a significant impact on financial performance and productivity of an organization. The study used the BCG Matrix to track the financial performance of 437 publically held U.S. companies. The results of the study showed that the companies with performance programs have stronger stock market performance, higher profits, a greater stock value and better cash flows than companies without performance management. Productivity in firms which are not using performance management is far below the industry average, while productivity in firms using performance management is on par with the industry average. This shows that the companies with performance management significantly improved their financial performance and productivity after implementing performance management.

Simons (2000) states that a PMS cannot be effectively designed and implemented without considering human behaviour. Holloway et al. (1995) also emphasized that the successful implementation of a PMS depends on understanding the behavioral factors of performance management. It is considered that behaviour and culture need to be incorporated into the design and implementation in order to get an effective PMS.

According to Roberts (2001), performance management involves steps which are generally as follows:-

1. Setting up of various objectives like organizational, individuals etc, the use of performance appraisal systems,
2. Appropriate reward strategies and schemes;
3. Training and development strategies and plans
4. Feedback, communication and coaching;
5. Individual career planning; mechanisms for monitoring the effectiveness of performance management system; and
6. Interventions and even culture management.

Armstrong and Baron (2004) emphasized that Performance Management is a tool to ensure that the managers are managing effectively. This means (1) that they ensure the people or teams they manage know and understand what is expected of them, (2) have the skills and ability to deliver on these expectations, (3) are supported by the organization to develop the capacity to meet these expectations are given feedback on their performance, and (4) have the opportunity to discuss and contribute to individual and team aims and objectives.

Watkins (2007) says that most public sector business organization like those in Delta State of Nigeria have not given adequate attention to performance management review as a tool for improving performance even when recent studies suggest that performance management is essential for improving organizational performance in++++++++++++++-*********---------- both public & private sectors.

Helm et al. (2007) have noted that PMS is vital to an organization's performance for various reasons such as: it facilitates the organization to achieve its vision and business objective. It is a prerequisite to develop a performance oriented culture within the organization. It aligns the employees' performance goals with the organization's strategic goals. It ensures that the individual has clarity regarding performance expectations. It improves the employee performance and identifies talented individuals for promotion and it also reinforces linkage between pay and performance.According to Du Plessis (2007), the implementation of performance management systems encounters resistance at various points throughout the organization. But in order to overcome the resistance, one has to focus on the implementation of its sub projects which includes the cultural and environmental issues in concern so that PMS can be carefully implemented.

Sole (2009) explained that there are two factors which can influence performance management systems in a public organization. Those are internal factors and external factors. Internal factors include internal management commitment, internal

resources, performance-oriented culture, leadership employee engagement and maturity of PMS. External factors include elected officials, citizens, legal requirements and labour unions. In particular, employees view that performance-monitoring systems is such a system which is intended to force them to work harder, and managers see such systems as efforts to put increased pressure on them to produce added results. All these elements sustain the role of a performance-oriented culture as a factor influencing the implementation of performance measurement and management systems in public organizations. In terms of time limitation and cost, the important variables for implementation of PMS are the internal factors.

Bhattacharjee and Sengupta (2011) emphasized in their study that employees are the most crucial and valuable assets for an organization. If an organisation wants to gain speedy growth, it is very important to manage the Human resource of the organisation well. It is a challenging task to identify the gap between the actual competence of human resource working in the organisation and the desired competence expected out of them and then bridge the gap. Since the time an employee enters the organisation till the time they leave the organisation, it becomes essential to identify the entire cycle of what competency is expected and what do they actually possess so that their performance can be managed and strategic advantage can be achieved.

According to Toppo and Prusty (2012) Performance Appraisal and Performance Management were considered to be one of the most emerging issue since the last decade. They emphasized on the critic areas of the appraisal system and defined how Performance Management System is a better tool than Performance Appraisal System as it overcomes the limitations of the latter.

Findings

The dominant findings indicates that there are enterprises which are generally less likely to adopt formal PMS practices, including goal setting, assessing performance and performance evaluation practices. Similarly, they usually pursue traditional means of basic Human Resource functions such as employee recruitment, selection, training and compensation etc. However it has also been analyzed that employees do not have a clear understanding of what performance management system aim to achieve similarly large number of employees believe that performance management is not associated with organizational objectives as it has no functionality in employee's career planning or development. It has also been identified that, organizations have realized the significance of adopting strategic HR practices for gaining a competitive edge over the competitors. A well designed effective performance management system can play a vital role in aligning the actions of the employees in an organization for recognizing the crucial corporate goals. Performance management is a useful tool for aligning all the major organizational

functions and sub functions so that the focus is directed towards attainment of the organizational goal. By clearly explaining both the individual and team responsibilities in the form of Key Responsibility Areas (KRAs) as well as by creating an understanding of shared responsibilities, a good performance management system smoothen the progress and development of employees.

The post-liberalization period has observed significant changes in the structure and functions of the organizations. Arrival of foreign and multinational organizations has given a cause to existing organizations to be more effective, competitive, and innovative in their approach. There arises a need to introduce a system of performance management during the period when the traditional performance appraisal mechanism started failing and its limitations were evolving up. The performance appraisal system which the organizations were using in the earlier time period was lacking in objectivity as the criteria for measuring performance were not clearly defined and the focus was on traits rather than on behaviors or measurable targets. Due to an absence of a transparent feedback mechanism and lack of employee involvement in the entire process of appraisal, the morale of employees decreases. A Performance Management System overcomes the faults of the traditional performance appraisal system by maintaining a revolutionary approach.

CONCLUSION

It can be said that the Performance Management System is the vital key in Human Resource Management (HRM). In other words, PMS is a crucial business driver that helps to achieve business result. An efficient PMS can boost the firms to maximize the employee performance. An effective system should be such that it can encourage an organizational climate of trust, autonomy, collaboration, communication and teamwork etc. It is important for an organization to have such system that not only identify and recognize the top performers rather help the employees and organization to achieve sustainable growth. Most of the modern day organizations identify this need and are spending a huge amount of money to develop and implement an effective Performance Management System still a huge amount of variation can still be noticed in the employees' performance. In order to gain the competitive advantage, the organization's performance management system should be designed in such a way that it can connect the employees' performance expectations to that of the organization's goals.

While concluding, it can be summarized that the performance management system is not only a mean of knowing that if the employee's' behaviour is consistent, but also an important and strategic organizational tool to link the employee activities with the goals of the organization.

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INFLUENCE OF BALANCED PSYCHOLOGICAL AGREEMENT ON ORGANIZATIONAL OBLIGATION- A STUDY ON AUTOMOBILE INDUSTRY IN SOUTH INDIA

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ABSTRACT :

The Indian automotive industry is projected to be amongst the top three of the world in the area of engineering, manufacturing and overseas sales of vehicles and automotive components facing tremendous challenges from it's competitors. In Today's world it is very important to keep the employees highly engaged and motivated to attain the goals of the organization. This research focuses on studying the connection between balanced mental contract and the organizational obligation. The independent variables are both the employee promise and employer promise towards Performance support, Career development and external marketability from employees standpoint. The dependent variables are the 3 model commitment scale- Affective, Normative and continuance assurance. The study randomly collects opinions of n=140 respondents from 7 large automotive industries across south India through structured questionnaires. The data is fed into SPSS Version 25 to test the validity and uniformity of the statements. Descriptive statistics and correlation analysis is used to interpret the data. The Findings of the investigation revealed that there is no positive association between balanced psychological agreement and organizational obligation. Out of all variables performance support and affective assurancehave a medium connection therefore the researcher suggest further study in this area to explore possibility of same or different prospects.

Keywords: *Balanced Psychological Contract, Organizational obligation, Affective assurance, normativeassurance, Continuance dedication, Performance support, Career Development and External Marketability*

I. INTRODUCTION

The Indian automotive industry consists of automobile OEM manufacturers and automobile component manufacturers.. The automotive industry contributes around 9.4% of the country's GDP (automobile OEM equals to 7.1% and automobile component equals to 2.3%) and employs around 35 million (automobile OEM employs around 32 million & automobile component employs around 3 million directly & indirectly). The Indian automotive industry is projected to be among the top three of the world in the area of engineering, manufacturing and export of

vehicles and components. The major contribution of growth expected from automotive component industry in India's GDP as much as 5% to 7% by 2026 from current 2.3% (2018) with expected turnover of $200 billion by 2026 from current $43.5 billion in 2016-2017

To stay competitive in the changing business world, it is imperative to focus on managing the employer and employee relationship effectively from the psychological contract perspective and get employee's commitment towards the organization to meet the organizational challenges effortlessly. The psychological conventionrefers to the set of implied beliefs of expectations (pre-Rousseau period definitions), promises and obligations (Post-Rousseau period definitions) between employer – employee for continuing a mutually beneficial relationship by both parties to abide by mutual promises and obligations to achieve different objectives for mutual betterment of both parties in today's competitive world. The concept of psychological agreement is well established in the western world but gaining prominence in India only now in the organizational term which interprets the fulfillment and non-fulfillment of mutual obligations, expectations and promises between employer and employees relationship i.e. the assumptions about what each of them need to offer and are willing to deliver based on various issues being surfaced between employees and employers across various organizations at India.

II. LITERATURE REVIEW

In Indian context where interpersonal relationships are highly valued, the employment management systems are greatly influenced by the political, social and economic factors. The employee obligations are mostly dependent on these factors more than the job roles (Krishnan, 2016) . A vast majority of researchers (Guest and Conway, 2004) explained organizational obligation as a result of psychological convention. (Sels,Jansenns and Brande, 2004) measured psychological contract using 6 magnitudes of psychological indenture i.e. tangibility, constancy, capacity, instance , swap evenness and agreement level that results in effect on emotional assurance. (Rousseau, 1995) affirmed that traditions and customs are a chief feature that has influence on an employee's psychological contract. Employees in India do not differentiate their work roles with their societal roles. The employees create a sense of belongingness to the organization to have a long term relationship with the organization. Preponderance of the researcher revealed that there is difference in the opinions of the employees on the psychological bond (Krishnan, 2016) and there is a lack of research in the Indian context on the psychological contract (Agarwal &Bhargava, 2010) . The research of (Zhuo J. and Yu M.F., 2013) studied the perception of knowledge workers on psychological indenture, the relational psychological bond has a positive association where a transactional relationship has negative outcomes on the Organizational commitment. The study of (Cheng Wei

Che and others, 2018) observed that job satisfaction and job performance are mediated by the effects of the Psychological indenture and organizational assurance.

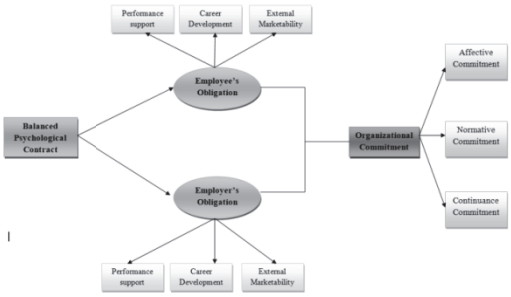
III. RESEARCH GAP

From the above literature it can be inferred that there are lot of studies on Psychological contract and organizational commitment (Deepthi&Baral, 2013 ; Gupta, 2015 ; Pei-ling, Yi-shyuan& Tung-han, 2013 ;), but there are no specific studies related to balanced psychological convention and its impact on 3 model organization assurance. There is a lack of psychological agreement researches referring to employer fulfillment of psychological bond to the employee (Grimmer, Martin, Matthew Oddy, 2007). There is extensive literature available on mental agreement and organizational obligation around the world, but very small research is done in automotive industry in India

So, the focus of current research will be to study this problem and attempt to fill this knowledge gap and provide facts on the current state of employment relationship in selected automotive companies' at South India. Therefore, the researcher tries to study the impact of emotional agreement on organizational assurance in select automotive companies at South India from employee's perspective

3.1 Conceptual framework for the current study

Conceptual framework for the current research showing the relationship between Balanced Psychological convention and it's attitudinal outcome as Organizational obligation.



Source: Author created

Above figure showing the extent to which employers accept worker management practices that influences the psychological agreement (reciprocal promises, obligations and commitments) mainly on balanced psychological bond contents (Performance support, Career development and External marketability) leading to attitudinal consequences which may be in form of (affective, continuance, normative) organizational commitment

IV. Statement of the problem

In the course of recent years, the monetary condition in India has confronted numerous difficulties following the commencement of economic liberalization in

1991. The Automotive business contributes around 9.4% of the nation's GDP and utilizes around 35 million workers additionally experienced huge individuals and hierarchical administration challenges because of nature of occupations changes, cutting back, globalization, re-appropriating, re-organizing, cost streamlining, mechanical development, mechanization, business cyclicality and changing client desires. These developed difficulties in the recent years prompted spotlight on the balanced psychological contract between the workers and employers to comprehend the employee's dedication towards the organization. Also to address the above difficulties adequately and stay focused in the present changing business world there is a need to understand the impact of Career development, External marketability and performance support (employer and employee obligation from employees perspective) on organizational loyalty.

In this context,a study on above will gives new proof and further knowledge about the influence of balanced psychological conventionon organizational obligationfrom employees' viewpoint for the businesses to improve their employees engagement.

V. OBJECTIVES OF THE STUDY

The objectives of the study are:

- To study the relationship between balanced psychological convention (Employee obligation) and organizational assurance
- To study the connection between balanced psychological bond (Employer obligation) and organizational obligation

VI. H YPOTHESIS

1. H0: There exists no association between balanced psychological agreement (Employee obligation) and organizational loyalty
2. H0: There exists no association between balanced psychological agreement (Employer obligation) and organizational loyalty

VII. SCOPE OF THE STUDY

This study is conceded in the automobile companies, namely Large Automobile OEM &its Tier-1 Supplier in South India only. An effort is carried out to comprehend the association between balanced psychological indenture and organizational assurance of employees at executive / management Level.

The chief rationale of this examination is to study the effect of balanced psychological agreement on organizational dedication in selected large automobile companies at South India. The study covers the employee perspective on the Psychological bond and its impact on organizational assurance with a self-rated questionnaire.

VIII. DATA COLLECTION AND TOOLS FOR ANALYSIS

The data for the study is collected through structured questionnaires which are filled by the senior employees of the automobile industry in South India.

8.1 Structured questionnaires for employees

The questionnaire consisted of three parts:

- **Part A: Biographical questions**- Multiple choice questions on the age, qualification, experience and other demographics are administered in this section
- **Part B: Balanced Psychological Contract**- This section contained (12) Likert scale statements relating to employee obligation and employer obligation on performance support, Career development and external marketability
- **Part C: Organizational Commitment –** This part of the questionnaire included (6) Likert scale statements on Affective, Continuance and Normative commitment

8.2 Sampling Techniques

Simple Radom sampling technique is used to select employees from the Automotive OEM and its Tier 1 suppliers in South India. The senior employees who are at the managerial level are selected for the study.

8.3 Population

The sample size for this study will be based on the population of the Large automotive Industry in South India. The table below summarizes the number companies in South India Large Automobile Industry.

Table –1: South India Automobile Industry

	South India
Automobile Industry - (OEM)	52
Tier - I Large Automobile component manufacturers'	57
Total Large Automotive Industry	109

Source: The Society of Indian Automobile Manufacturers (SIAM) and the Automotive Component Manufacturers Association of India (ACMA)

8.4 Sampling Size

The sample size of employees for the study is ascertained by using the sample size determination formula proposed by Cochran. The sample size is computed by assuming the finite population of Automobile OEM and its Tier I suppliers; hence the formula for sample size from the finite population is given as follows:

$$n = \frac{\frac{z^2 * p(1-p)}{e^2}}{1 + \left(\frac{z^2 * p(1-p)}{e^2 N}\right)} = \frac{\frac{1.959964^2 * 0.5(1-0.5)}{0.36^2}}{1 + \left(\frac{1.959964^2 * 0.5(1-0.5)}{0.36^2 * 109}\right)}$$

= Sample Size of Automobile OEM and its Tier I suppliers companies is 6.938516 rounded off to 7 Companies

8.5 Sample Design

Table – 2: Sample of employees

Sample of employees

	Company Name	No of employees
1	Tata Ficosa Automotive Systems Private Limited	20
2	Automotive Axles Limited	20
3	Meritor Heavy Vehicles System India Limited	20
4	JK Tyreand Industries Limited	20
5	Tata Marcopolo Motors Limited	20
6	Bosch Limited	20
7	Rane (Madras) Limited	20

On the basis of the sample size which is determined statistically 7 companies from south India are selected and 20 employees from each of the companies are randomly selected. A total 140 respondents are studied.

8.6 Statistical Tools Used

This study uses Descriptive statistics to summarize the quantitative data, Graphs and charts increase the effectiveness of the statistics. Further Correlation analyses are used to study the association between the dependent and autonomous variables. Spearman's correlation is the best measure to analyse the ordinal data and therefore this method is used.

IX. LIMITATIONS OF THE STUDY

- The study is geographically limited to south India
- The study is limited to select large automotive industries only
- The study is limited only to senior employees at leadership and managerial level.
- The study considers only employee perspective and employer perspective is not considered due to constrained time frame and lack of feasibility on data collection.

X. ANALYSIS AND INTERPRETATION

Demographic profile& data analysis

The anecdotal synopsis of the respondents uncovers that a greater part of 57.1 % respondents had a place with Bangalore-Mysore locale in Karnataka state, 29.3% respondents had a place with Chennai area in Tamilnadu and remaining respondents had a place with different states in south India. The education profile uncovered that 40% respondents have finished their graduation, 49.3% respondents have finished their post graduation, 3.6% respondents have finished above post graduation and staying 7.1% respondents have different capabilities.

The work profile of the respondents uncovered that 47.2% respondents had over 12 years to 24 years of involvement with the present business which is finishing the statistical data points of the Total understanding. A greater part of 40 % respondents have a general working encounter of over 24 years which might be a marker that there is a huge worker extent that is focused on the association for long time.

An enquiry into work jobs and positions demonstrated that a lion's share of half representatives is at asst. directors/agent chiefs/supervisors level and the level of representatives' declines as the position expands. The vehicle business has foreordained occupation jobs and the assessment of the equivalent uncovered that40.7 % of the respondents catch second Level positions(Managers/Executives who are answering to Functional Heads), 53.3 % workers held first level positions (Functional Heads who are answering to Site Head/Business Head/MD/CEO) and staying 5.7% are assigned at Level - 0 positions(Site Head/Business Head/MD/CEO)

Table – 3 : Descriptive statistics on the statements

Descriptive Statistics						
		N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
EEOPS_1	Acknowledge progressively more demanding performance principles	140	1	5	4.48	0.673
EEOPS_2	React optimistically to dynamic performance necessities	140	1	5	4.53	0.673
EEOCD_1	Construct abilities to amplify my worth to this organization	140	1	5	4.49	0.684

Descriptive Statistics						
		N	Minimum	Maximum	Mean	Std. Deviation
EEOCD_2	Create myself progressively more important to my employer	140	1	5	4.55	0.638
EEOEM_1	Build associates externally that improve my job prospective	140	1	5	3.66	1.058
EEOEM_2	Augment my visibility to prospective employers externally	140	1	5	3.29	1.049
EROPS_1	Sustain me to achieve the maximum potential stage of performance	140	1	5	4.17	0.804
EROPS_2	Sustain me in meeting progressively more advanced goals	140	1	5	4.18	0.789
EROCD_1	Growth prospects with this firm	140	1	5	4.14	0.741
EROCD_2	Progression inside this organization	140	1	5	3.99	0.749
EROEM_1	Assist me expand externally viable skills	140	1	5	3.59	0.929
EROEM_2	Prospective work opportunities outside the firm	140	1	5	3.24	1.015
ACS_1	I actually experience as if this organization's troubles are my own	140	1	5	3.93	0.887
ACS_2	I feel 'psychologically connected' to this firm	140	1	5	3.96	0.981
NCS_1	I consider that an	140	1	5	4.09	0.971

Descriptive Statistics						
		N	Minimum	Maximum	Mean	Std. Deviation
	individual must constantly be faithful to his or her organization					
NCS_2	Jumping from one firm to another firm seem to be at all times ethical to me	140	1	5	2.64	1.032
CCS_1	I feel that I have very few choices to believe leaving this organization	140	1	5	2.86	1.215
CCS_2	One of the few severe consequences of exiting this organization would be the shortage of accessible choices	140	1	5	2.64	1.188
Valid N (listwise)	Valid N (listwise)	140				

Analysis and interpretation: The employer responsibility and employee commitment on balanced psychological contract and organizational commitment is measured using Likert scale of Agreement. The scale has 5 points, 1= Strongly Disagree, 3= Neutral and 5= strongly agree. The mean scores of the likert scale indicate level of agreement of the respondents for the given statement. The employee perspective in relation to (EEOPS) Employee obligation on performance support has mean scores above 4.50 which indicate strong agreement on the statements. In case of (EEOCD) Employee obligation on career development the mean scores are above 4.50 signifying strong agreement. On a contrary, the (EEOEM) Employee obligation on external marketability has mean scores below 3.5 which points out that the employees are not agreeing with their contribution on external marketability. The workers perception on the employer's promise is also very important, in comparison to the employee obligation (EE) it can be inferred that the employer obligation(ER) on performance support (EROPS), career development (EROCS) and external marketability (EROEM) are similar. The employee perspective does not change on the worker's promise and the manager's promise in relation to balanced psychological contract.

Organizational dedication is measured with the same tool as the balanced psychological convention. (ACS) Affective assurance scale has mean scores above 4 which show that the affective commitment of the employees is high. (CCS) Continuance dedication scales have very low mean scores below 3, the employees do not agree with the continuance obligation towards the organization. In case of (NCS) the normative loyalty the mean scores are above 3 but below 3.5 which signifies that the employees neither agree nor disagree to the statements.

Hypothesis

H0: There exists no correlation between balanced psychological indenture (Employer obligation) and organizational obligation

The stated hypothesis that there is no relationship between balanced psychological convention (Employer obligation) and organizational assurance is tested by using Spearman's rhocorrelation coefficient

Correlations								
			EROPS_1	**EROPS_2**	**EROCD_1**	**EROCD_2**	**EROEM_1**	**EROEM_2**
Spearman's rho	ACS_1	ρ	.249**	.329**	.250**	.356**	0.129	0.006
		Sig. (2-tailed)	0.003	0.000	0.003	0.000	0.128	0.942
	ACS_2	ρ	.294**	.292**	.198*	.287**	0.147	0.052
		Sig. (2-tailed)	0.000	0.000	0.019	0.001	0.083	0.541
	NCS_1	ρ	.235**	.236**	0.133	.275**	0.153	-0.049
		Sig. (2-tailed)	0.005	0.005	0.117	0.001	0.072	0.564
	NCS_2	ρ	0.086	0.007	0.076	0.057	0.058	0.118
		Sig. (2-tailed)	0.314	0.932	0.370	0.504	0.498	0.165
	CCS_1	ρ	-0.050	-0.059	0.034	0.060	.207*	0.075
		Sig. (2-tailed)	0.558	0.488	0.692	0.480	0.014	0.380
	CCS_2	ρ	-0.118	-0.133	-0.053	-0.060	0.104	0.110
		Sig. (2-tailed)	0.166	0.117	0.530	0.479	0.222	0.198
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								

The above table shows the ρ (Spearman's rhocorrelation co-efficient) The highlighted ρ values are very far from 1 and some ρ values are also negative therefore it can be inferred that null hypothesis is accepted, There exists no association between balanced psychological bond (Employer obligation) and organizational loyalty.Affective obligation has a weak positive association with balance psychological convention of career development and performance support.

H0: There exists no correlation between balanced psychological contract (Employee obligation) and organizational commitment

The stated hypothesis that there is no connection between balanced psychological indenture (Employee obligation) and organizational dedication is tested by using Spearman's rho correlation coefficient

Table – 5 : Correlation coefficient for H0 (Employer Obligation)

			EEOPS_1	EEOPS_2	EEOCD_1	EEOCD_2	EEOEM_1	EEOEM_2
Spearman's rho	ACS_1	ρ	.299**	.242**	.199*	.328**	0.042	-0.083
		Sig. (2-tailed)	0.000	0.004	0.019	0.000	0.625	0.331
	ACS_2	ρ	.311**	.193*	.211*	.274**	-0.014	-0.040
		Sig. (2-tailed)	0.000	0.022	0.012	0.001	0.869	0.642
	NCS_1	ρ	.250**	0.151	0.161	.207*	-0.087	-.216*
		Sig. (2-tailed)	0.003	0.075	0.057	0.014	0.309	0.010
	NCS_2	ρ	-0.059	0.021	-0.019	-.230**	0.135	.178*
		Sig. (2-tailed)	0.486	0.801	0.822	0.006	0.111	0.036
	CCS_1	ρ	-.280**	-.191*	-0.148	-.197*	0.145	0.072
		Sig. (2-tailed)	0.001	0.024	0.082	0.020	0.087	0.397
	CCS_2	ρ	-.218**	-.386**	-0.164	-.238**	.176*	.204*
		Sig. (2-tailed)	0.010	0.000	0.052	0.005	0.038	0.016
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								

The above table shows the ρ (Spearman's rho correlation co-efficient) The highlighted ρ (values for CCS – Continuous commitment are very far from 1 and

some r values are also negative therefore it can be inferred that null hypothesis is accepted, There exists no association between balanced psychological convention (Employer obligation) and organizational obligation (Continuance Commitment).

In case of PS and ED, small relationship can be ascertained between employee obligation on Affective obligation and normative dedication. In this case it can be inferred that a small positive relation exist between PS and ED with ACS and NCS.

XI. FINDINGS, SUGGESTIONS AND CONCLUSION

11.1.Findings

- The anecdotal synopsis of the respondents uncovers that a greater part of 57.1 % respondents had a place with Bangalore-Mysore locale in Karnataka state, 29.3% respondents had a place with Chennai area in Tamilnadu and remaining respondents had a place with different states in south India.
- The education profile uncovered that 40% respondents have finished their graduation, 49.3% respondents have finished their post graduation, 3.6% respondents have finished above post graduation and staying 7.1% respondents have different capabilities
- The work profile of the respondents uncovered that 47.2% respondents had over 12 years to 24 years of involvement with the present business which is finishing the statistical data points of the Total understanding. A greater part of 40 % respondents have a general working encounter of over 24 years which might be a marker that there is a huge worker extent that is focused on the association for long time.
- The vehicle business has foreordained occupation jobs and the assessment of the equivalent uncovered that40.7 % of the respondents catch second Level positions(Managers/Executives who are answering to Functional Heads), 53.3 % workers held first level positions (Functional Heads who are answering to Site Head/Business Head/MD/CEO) and staying 5.7% are assigned at Level - 0 positions(Site Head/Business Head/MD/CEO)
- The employee perspective in relation to (EEOPS) Employee obligation on performance support has mean scores above 4.00 which indicate strong agreement on the statements. In case of (EEOCD) Employee obligation on career development the mean scores are above 4.00 signifying strong agreement.
- (EEOEM) Employee obligation on external marketability has mean scores below 3.0 which points out that the employees are not agreeing with their contribution on external marketability.
- The workers perception on the employer's promise is also very important, in comparison to the employee obligation (EE) it can be inferred that the employer

obligation(ER) on performance support (EROPS), career development (EROCS) and external marketability (EROEM) are similar.

- The ρ values are very far from 1 and some r values are also negative when correlation between Employee promise on balanced psychological indenture and organizational dedication is tested. It is inferred that there exists no association between balanced psychological bond (Employee obligation) and organizational obligation
- In case of PS and ED, small relationship can be ascertained between employer obligation on Affective commitment and normative commitment. In this case it can be inferred that a small positive relation exist between PS and ED with ACS and NCS
- The ρ values for CCS – Continuous obligation are very far from 1 and some ρ values are also negative therefore it can be inferred that There exists no association between balanced psychological contract (Employer obligation) and organizational commitment (Continuance Commitment).

11.2.Conclusion and recommendation

- This study concludes balanced psychological contract consisting performance support, career development and external marketability does not necessarily prove that employees will be willing to stay with the organization.
- Therefore this research concludes that psychological indenture consisting performance support, career development and external marketability does not impact on organizational loyalty. Hence, this research concludes that the balanced psychological agreement has no significant impact on organizational dedication.
- Automobile industry businesses need to utilize true employee engagement practices specifically, fortifying receptiveness with clear articulation of association's qualities and shortcomings, present execution, tentative arrangements, approaches identifying with all work, compensation, remuneration, reward and professional success, will prompt huge improvement in boss worker relationship. Automotive industry managers need to take measures by and large to improve their responsibility/commitment to workers. Specifically, they can enhance 'the presentation backing and outside attractiveness'. It is significant for the leaders to make enough commitment to balance out the mental contract of the employees.

11.3 Recommendations:

- The Automobile industry needs to focus on balanced relationship contract with their workers prompting association duty specific to Job Security and soundness of the representatives.

- Automobile industry managers need to take vital activities to upgrade their corresponding commitments as perceived by representatives uniquely to improve 'the employer obligation on career development, eternal marketability and performance support
- Employees utilize mental agreement as a psychological guide to work adequately in the association. It is significant for the leaders to make enough commitment to balance out worker's mental agreement.
- Balanced mental agreement, however it has no impact on the Organization's duty of the representatives in automotive industry, it is basic to take measures to keep the laborers faithful to the organizations.
- Industry HR must guarantee that the commitments are satisfied to improve representative relations through positive mental agreement, likewise associations must accentuation on improving apparent reasonableness to create positive mental agreement
- Lastly the Automotive part associations must guarantee or offers long term agreements to its workers to make positive mental agreement.

11.4 Future Research Direction:

- The extent of future analysts can be stretched out to other kind of industry crosswise over India and as just car OEM and its Tier-1 providers at south India are taken in the present examination. Expanding the investigation in different portions will break down whether there stays any a distinction or likenesses of the social mental agreement impacts on association responsibility. Additionally, the analyst can be developed likenesses among how longitudinally to look at the progressions of the outcomes comprehend the emotional idea of mental agreement enhanced concerning better employer employee relationship.

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RESEARCH PAPER ON A STUDY OF STRESSES AND STRAINS IN HINJAWADI IT PARK, PUNE

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ABSTRACT :

Because of work pressure, employees are mentally influenced and seriously compromising their wellbeing at their bustling working conditions. Workers encountering work instability can't show their genuine exhibition and in light of the fact that they don't see themselves for all time in their organisations. Employees with a high level of worry despite extreme remaining burdens may encounter over-burden and aim to stop. In any case, they can't accomplish the ideal proficiency because of the way that employees who have job strife must satisfy more than one remaining task at hand.

The vast majority of the activities took care of by the IT organizations are for the organizations situated in created nations; henceforth the organizations need to coordinate their working hours, working style as indicated by their worldwide customer's necessities. So as to get more activities, programming organizations guarantees their customers the conveyance of the tasks in a limited capacity to focus, which may prompts intense cut-off times. This investigation pursued engaging examination structure with the example of 300 workers from different IT organizations situated at Hinjewadi IT Park, Pune.

Employees who are happy with their organisations can embrace authoritative culture and build up their hierarchical aptitudes, for example, arranging and critical thinking. The various factors are examined in this exploration paper.

Keywords. *Seen Work Stress, Job Insecurity, Role Conflict, Organizational Culture, Employees, Job Performance.*

Introduction.

The competive business world has rolled out gigantic improvements in work culture of each organisation, so as to give profoundly aggressive items and administrations to their clients, which in tern reflect wonderful changes in workplace of each organisation, for example, expanded working hours, outstanding burden, targets, brief time cutoff times, and so forth. Each individual invests extensive energy of their own time for winning through occupation or business, so as to improve their livelihood and to give comfort life all fundamental and/or extravagance conveniences to their wards.

Organisations consistently have a culture; the administration of these societies has consistently been a difficult and dubious errand for business directors (Singer et al., 1997). Regardless of what individuals work together, they push their capacities and breaking points for most of their lives. Versatility and speed since the twentieth century have achieved the consequences of individuals working in rivalry and change.

Because of the monetary emergencies on the planet, the ubiquity of occupation instability has consistently been and will keep on being a disputable issue (Jiang and Probst, 2014). Consistently, the rebuilding in organisations, for example, scaling back in organizations, mergers, acquisitions and terminations influences a large number of employees. Since 1970, monetary downturns, changes in innovation and worldwide challenge have influenced the working of working life.

Work Stress

Because of the expansion in remaining burden and occupation frailty, workers are experiencing worry because of introduction to push. They can respond as a mental reaction to the negative circumstances experienced by employees because of the negative impacts of pressure, for example, confinements, remaining burden and requests.

Employment Insecurity

One of the most significant perils and issues after the word related sicknesses and mishaps that workers may experience is that they lose their positions, that is, they gotten jobless. Thusly, one of the most significant issues and targets of work law is to guarantee the congruity of crafted by the employees and to attempt to verify the continuation of the business contract

Job Conflict

Job struggle issues are regularly found in complex authoritative structures. In these organisations, there are such a large number of impermanent employees and the administration of this faculty is given to the duty of more than one administrator. Therefore, the job struggle that frequently happens in complex authoritative structures makes the individual fall into strife inside himself/herself.

Job struggle, the errands that the representative must perform are unimportant, there is an absence of staff in the organisation so as to play out the assignment effectively, in some cases the guidelines should be disregarded for the fruitful culmination of the undertaking, correspondence with individuals working in various situations in the working environment, and in the event of expanding clashing undertakings. Inside the extent of the examination model, the impact of Role Conflict on authoritative culture is inspected.

Organisation Culture

In the present globalizing world, hierarchical culture is critical for organisations to increase upper hand. Workers in organizations with a solid hierarchical culture realize how to act in the occasions they face or during the time spent working together. In organizations with frail hierarchical culture, employees lose time since they don't have the foggiest idea what to do and how to do it.

Work life-Balance

The term 'work-life balance' alludes to what degree an individual is engaged with and fulfilled similarly with their activity and individual jobs

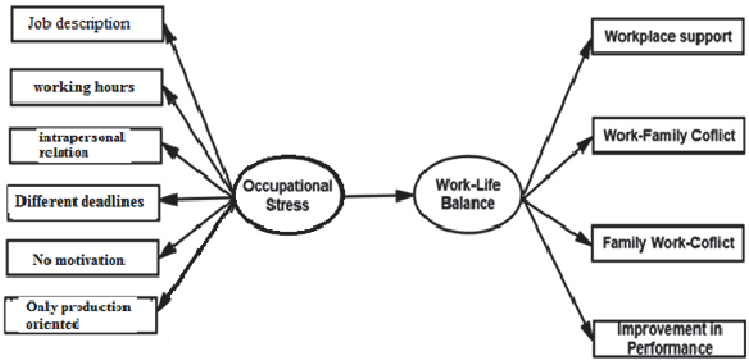

Figure. Conceptual framework

Table. Demographic profile of the respondents

S. No	Particulars	Frequency	Percent
1.	Age group		
	Up to 25 Years	57	19
	25 - 35 Years	113	38
	36 - 45 Years	79	26
	More than 45 Years	51	17
2.	Gender		
	Male	133	44
	Female	167	56
3.	Job Positions		
	Junior Level	130	43
	Middle Level	98	33
	Senior Level	72	24
4.	Departments		
	Software Development	150	50
	Technical Support	107	36
	Administration	43	14

S. No	Particulars	Frequency	Percent
5.	Number of Dependents		
	None	28	9
	One	56	19
	Two	143	48
	More than two	73	24
	Total	300	100.0

Concerning the offices/divisions of the respondents, Majority (half) of the respondents are working in programming improvement, 40% of them are working in specialized help and rest of them working in Administration offices. 44% of the respondents opined that they have two wards, though 23% expressed that multiple wards, 20% answered that they have just a single ward, and not very many (8%) answered that they don't have any wards in their family.

Building up an unmistakable comprehension of how stress impacts your physical and emotional wellness is significant. It's likewise imperative to perceive how your psychological and physical wellbeing influences your feeling of anxiety.

Top reasons for business related pressure:

1. Unclear or clashing occupation desires
2. Inadequate staffing
3. Excessive outstanding task at hand
4. Tendency to maintain a strategic distance from responsibility and allocate fault to other people
5. Due to new innovation
6. Lack of mechanical supplies
7. Fear about jobless.

Top strides to oversee pressure:

- Flexible working choices
- Education and mindfulness crusades
- Specialized preparing for employees
- Training for top administration individuals
- Written rules on pressure and security
- Appreciations of workers/inspiration

- Good correspondences

The backwards is additionally valid. Medical issues, regardless of whether you're managing hypertension or you have diabetes; will likewise influence your feeling of anxiety and your psychological wellness.

At the point when your mind encounters high degrees of stress, your body responds in like manner.

Genuine intense pressure, such as being associated with a cataclysmic event or getting into a verbal quarrel, can trigger coronary episodes, arrhythmias, and even unexpected demise. Be that as it may, this happens for the most part in people who as of now have coronary illness.

Constant pressure can seriously affect your wellbeing too. On the off chance that you experience ceaseless pressure your autonomic sensory system will be overactive, which is probably going to harm your body.

The principal side effects are generally mellow, as ceaseless cerebral pains and expanded helplessness to colds. With more presentation to incessant pressure, be that as it may, increasingly genuine medical issues may create. They incorporate, yet are not constrained to:

Stress-Influenced Conditions

- Diabetes
- Heart sickness
- Obesity
- Sexual brokenness

Stress additionally incurs significant damage. While some pressure may create sentiments of mellow tension or disappointment, delayed pressure can prompt burnout, uneasiness issue, and misery.

Conculsion:

The information investigation segment of the examination evidents that the employees of Information innovation industry see more elevated level of word related pressure and it has the effect on work-life parity of the workers. The male employees sees more significant level of pressure while contrasted with female workers concerning working hours, relational relationship, absence of professional success, fulfilling time constraints and word related pressure, though female workers sees more elevated level of family-work strife. The worry in an authoritative life can't be avoided in present industry situation, however legitimate administration of stress may limit its effect on work-life balance. In this manner, it is reasoned that,

"limiting the word related pressure makes ready to more beneficial work-life balance".

Stress inside a particular limit serves to accomplished important targets. Be that as it may, on the off chance that pressure surpasses any past the point of confinement, at that point its shows its hurtful consequences for the body, Mind and conduct. Presently the approaches to adapt to the pressure incorporate satisfactory rest, Sports, Talking to a nearby one, unwinding propensity and stopping of addictive items. These all must be utilized to get alleviation from stress. Work place pressure assumes a critical job in physiological or mental prosperity of employees. It additionally influences the profitability and execution of organisation. The different after effects of work place pressure like physical issues, mental aggravation, passionate unevenness, way of life unsettling influence and conduct issues did to upset the atmosphere of organisation. These issues make relational clashes, decline the efficiency, low hierarchical duty, and expanded truancy and, more wearing down and so on by entrancing the employees with viable preparing, the administration can give them stage to take care of their pressure related issues. Yoga, contemplation, exercise and amusement exercises can give better condition to control pressure. Indeed, even time the board abilities help to oversaw worry in a viable way. The basic however valuable advances can clear the way for improved effectiveness employees and increment the profitability of organisation.

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ROLE OF HRIS IN BANKING SECTOR WITH REFERENCE TO ORGANIZATION DEVELOPMENT INTERVENTIONS

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ABSTRACT :

The paper highlights the growing use of Human Resource Information System (HRIS) in banking sector and its significance. HRIS is a technology-enabled tool used to record and maintain the employee related data. At one side, where banks are embracing this system of record-keeping and information reservoir, on the other side still people have resistance towards accepting this process open-handedly. The paper thus focuses on all those reasons which restrains them to become tech-friendly and brought the role of Organizational Development (OD) interventions to fore-front.

The application of OD interventions in an effective manner thus helps in overcoming this resistance and increase the acceptance of employees towards change. A planned and organized change is key to success and employee satisfaction.

Keywords: *HRIS, Banks, Banking Institutions, Organizational Development (OD), OD interventions*

1. Introduction

Banks are the life line of any economy. It not only helps one in economic terms but greatly have an impact on almost every sector of the economy. Any changes in bank rates or regulations brings almost an equivalent ripple in the economic health of a country. Thus, banking system should be up-to-date and ingrain new technology in their core as well as allied areas.

With the advent of Information and Communication technology (ICT), even the banking sector is taking every possible step to maintain the going pace. Earlier the banking system has a simple mechanism, wherein it takes deposits from investors at lower interest and lends to the borrower at higher rate of interest. However, with the deregulation and technology, the banking system has revolutionized. Today when banks offer loans & related products or services at a lower interest rate, it enhances the growth prospects of the economy and vice-versa. With all these transformations taking place in the banking sector, the introduction and contribution of Human Resource Information System cannot be ignored.

Though its been almost 16 years since Indian Government has enacted economic reforms, but the role Human Resource Management in banking sectors is now entering into a limelight. In last 10 years, Human Resource Management (HRM) specialist and departments were under severe pressure to bring about large scale professionalized changes in the organization and to cope up with the challenges brought about by the new economic environment. (Som, 2002, 2006). In his study of 54 organizations, he concluded that the use of technology-enabled services, computer-based information system and technical vendor development will rise recklessly. And to operate these technologies, an organization will need technically sound, motivated, competitive, and highly diverse workforce. In addition, to cope up with these changes organizations has to re-design and modify various functions related to HR like recruitment, selection, training, compensation patterns, etc. Increased technological sophistication in the job redefined work environments lead to a situation wherein employees had more time and information for experimentation and innovation.

And to facilitate innovation and creativity in the organizations, the time devoted to regular personnel functions like administration, paper work, salary, processing needs to be lessened with the help of sophisticated use of technology. The administrative expert role of HR (Ulrich, 1987) were getting reduced or often outsourced while the strategic partner and change agent role were being redefined. With many functions to track and huge amounts of information to process frequently and accurately, HR executives have turned to information technology (IT) to help them meet the needs of banking sector. Human Resources (HR) and information technology are the two elements that many firms are learning to use as strategic weapons to compete. (Jenkins and Lloyd, 1985).

2. Literature Review

- Ulrich, 1987. In an era striving for excellence, human resources become a crucial source of competitiveness
- Jenkins and Lloyd, 1985.The business community also realizes that after people, Study of Human Resources Information Systems in Public Sector Banks in India – A Case Study Shine David 7 information is its most important asset .
- Martinsons, 1999.Beginning in the 1960's personnel management was an early candidate for office automation in payroll, benefits administration and other transaction processing application such as employee record holding.
- Kossek et al., 1994. Typically this information was held on a mainframe in flat file format with the databases being interrogated via simple keyword searches. Growth in strategically focused HRM ethos produced an increase in demand for useful information about the human resource. During the past decade, information

technology has greatly impacted the way businesses are managed. Reports on how information technology helps companies create and sustain advantages are abundant.

- Walker 1993 expresses concern that a new model for the human resource function has evolved in concept and practice over the past years. Many companies have reduced costs and improved the quality of operational services by using vendors for services or establishing internal centres to provide shared services. Such restructuring has been supported by new, more powerful information systems, such as Peoplesoft, SAP, and online information access for managers and employees. At the same time, companies have invested in capabilities to enhance business performance and to develop specialized human resource expertise, such as consultants or leaders within business units.
- Spencer 1995 has stated that information technology is transforming human resource management, and its impact will include outsourcing, automation, and integration.

3. Human Resource Information System (HRIS)- Meaning and Importance

HRIS is nothing but an intersection of human resources and information technology through HR software, which helps HR activities to process electronically. It allows an organization to plan HR costs more effectively as well as to manage them and control them without needing to allocate too many resources toward them which in turns leads to increase in efficiency. It is a process to collecting and recording the data related to human resources of an organization. This data includes information like joining date of employees, their contact details and residential address, monthly packages, leave records, etc. Therefore, it carries information an employee from entry till exit. As per Lengnick-Hall and Moritz, HRIS to be implemented at three different levels:

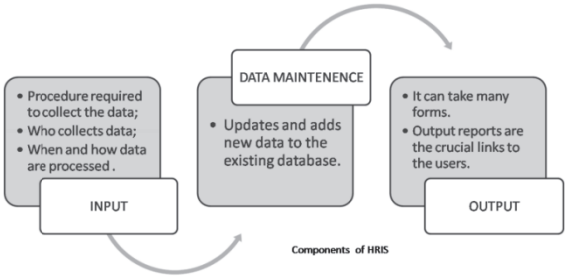
- The publishing of information
- The automation of transactions
- Transformation of HR into a strategic partner along with the line managers

Components of HRIS

HRIS has three components as shown in the diagram below:

- Input Function: It includes collecting and recoding personnel information into HRIS. This information includes scanning and storage of information of actual image of the original documents, unlike the past where it was limited to mere data entry.

- Maintenance Function: It includes updating the existing data by adding new data. This is done to keep the information up-to-date.
- Output Function: It is the visible function of HRIS which includes presenting the information with the help of computers.



Components of HRIS

4. HRIS in Banking Sector

Erstwhile, banking sector was limited to umpteen number of paper work, thus consuming much time. This manual system resulted in delays in commitment, inaccurate and incomplete information, inefficient documentation, and higher expenses incurred on maintenance and storage of files. But in recent years, both financial and non-financial processes in banks have undergone a complete transformation. The banking sectors has shifted from manual to computer-aided automated systems, which not only has reduced the processing time but resulted in better customer satisfaction. HR department, thus, is playing multi-tasker by handling multiple roles at the same time, viz, an information center, internal consultant, change agent, service provider, cost manager, business partner, facilitator, and a consultant.

Thus, need for a systematic yet automated system was required to streamline the banking function and processes. So in order to perform all functions banks need to ensure that they have an effective system to retrieve and manipulate all HR data, and here comes HRIS in picture. HRIS is continuously growing in banking sector because of effective role which banks are playing in socio-economic development. At the same time high expectations of the society from banking industry can only be met by integrated HR system. An effective HRIS makes sure that banks are hiring best people suitable for jobs, providing them with necessary training, ensuring sustainability of the employees, fair treatment with employees, high people strategies to meet the goals, rewarding by best compensation policies, etc.

HRIS plays a crucial role in the development of information technology for effective management of human resources functions and applications. The need and benefits for HRIS can be justified with the help of following points:

- Efficient management of human resources
- Growth and development of banking industry

- Coping up with legal and societal demands
- Integrating human resources data
- Keeping information up-to-date
- Better customer experience
- Decision making process
- Satisfying employees by prompt HR services
- Improved budget management

Various functions of HRIS in banking sector are as follows:

- Reservoir of Employee Information
- Source of Information for Recruitment and Hiring
- Maintenance of Payroll of Employees along with their leave record
- Calculating and Processing of Employee Benefits for all the Employees
- Record keeper of Daily Attendance
- Smoothens the Process of Performance Management by Supplying all Relevant Information
- Tracks the Training and Development Session of Employees
- Ensures Data Privacy and Data Security

5. Growth of HRIS in Banking Sector in Developing Countries

From a cornered function to a strategic function, Human Resource Management (HRM) has played a vital role in banking transformation. It played a major role in organizing and maintaining human resource in the organization. Initially, only few of the banks has adapted the intervention of technology into HR system, but now majority of banks in India is taking benefits of intertwining of HRIS with the developments of IT. The role of HRIS is now turning into a more strategic function. By strategic function, it means that HRIS is now used as a decision-making tool and helps in long-term planning related to recruitment, retention, training and development, etc. The aims of HRIS strategy in banking are as follows:

- To recognize the value of people
- To make others understand the implications of HR proposal and the HR constraints if they fail to take action on right time
- To align HR objective with the corporate objective

- To inculcate corporate culture and processes to enable people to do their jobs better
- To match the need of competencies required by organization with the competent people
- To ensure the development of employees' competencies through organizational resources
- To determine levels of employee commitment and probe the ways for improving them

6. Problems in Implementing HRIS in Developing Countries

Though the status of banking sector has improved a lot in developing countries like India, but still these countries are somewhere lagging in adapting newer ways of processing the information. The chart below depicts the HRIS in banking sectors in some of the developing countries:

Country	Bank	Description
India	SBI	SBI uses HR software interfaces. Interfaces allow for data to be transferred from one system to another. HRIS assures that the data in system is up to date and accurate. So, it enables integrated HR payroll software solutions.
Pakistan	SBP	SBP uses oracle based HRIS in different units like employees database unit, service record & compliance unit, HR automation unit etc. HRIS enables discovery of more efficient and less time consuming processes. It also enables efficient performance management of employees.
Indonesia	BI	BI employs HRIS to store data of more than 6000 employees. For this purpose, it deploys a database application, known as SIMASDAM. Strategically, the bank has strengthened IT support and information system. However, it has been observed that BI has not properly estimated its system requirements while employing HRIS. Adoption of HRIS can help BI tremendously, if it correctly identifies its system requirements and level of sophistication.
Thailand	BT	BT employs HRIS as a Management Information System (MIS) for training administration, time management, customized payroll management etc. Furthermore, HRIS is used for employee life-cycle, relationship and transaction management.
Srilanka	SB	SB is using HRIS to re-engineer its business processes. It plans to cover all records of employees from their recruitment till their retirement. So, it intends to cover information like employees personal information, work details, leave records, payroll information etc in HRIS. For this purpose, a sophisticated and well integrated HRIS need to be deployed.
Kenya	KCB	KCB employs oracle based HRIS to keep pace with the changing needs of organization and work force. HRIS helps KCB to efficiently manage employee records. Oracle database is used as a single source of information. This eliminates data redundancy, reduces the possibility of conflicting data in different databases, and creates a consistent, complete as well as a reliable picture of every employee.

While implementing HRIS in its system, which includes not only private sector banks but also public sector banks, developing countries are facing certain challenges. Some of these challenges are as follows:

- HRIS involves reengineering of business processes and system, which banks finds hard to adopt
- Lack of sufficient training to bank employees to work of HRIS
- Lack of sufficient infrastructure to support HRIS
- Fear of failure
- Lack of sufficient resources

- Cost of installing such software
- Resistance of internal employees
- Fear of insecurity among employees
- Fear of loss of information and misuse of such information
- Lack of preparation before implementation

7. Role of OD Intervention in Overcoming Resistance for HRIS

Organizational Development (OD), in recent year, has gained much prominence due to its applicability in bringing a planned change in the organization. According to Porras, Robertson & Goldman (1990) OD is "aimed at the planned change of the organizational work setting for the purpose of enhancing individual development and improving organizational performance, through the alteration of organizational member's on the job behaviors". OD is a collection of strategies designed to help organizations adapt to change, quicker and with better results.

Under OD, organizations either hire external consultants or internal employees to bring planned change in the organization. There are various tools which can be used to bring such change in an organized manner like sensitivity training, managerial grid, performance management, Management by Objective (MBO), quality circles, etc.

- With reference to implementation of HRIS in banking sector, OD intervention can play an indispensible role by overcoming the resistance among the employees and the banks towards change. It helps in inculcating a culture of change gradually by preparing the banks and its employees for the transformation. Some of the benefits of OD intervention in HRIS implementation in banks are as follows:
- Effective and transparent communication system
- Facilitating two-way interaction process
- Continuous improvement in the system with gradual efforts
- Employee training and development
- Improving interpersonal relationships
- Developing an open culture
- Better quality of work
- Increased employee satisfaction
- Creating a learning environment

Lewin has put forth the model of OD which is used to implement a planned and functional change in the organization. It is based on premises that before actually introducing a change, an organization needs to be prepared for change. In addition, employees should be motivated to change and established and integrated the change into behaviors of organization Accordingly, Lewin has nomenclature these steps as unfreezing, changing and refreezing. A brief description of these follows.

Unfreezing: This necessitates unlearning of old things in order to learn new things. The same is called unfreezing. Unfreezing involves encouraging individuals to discard old behaviors by shaking up the equilibrium that maintains status quo.

Changing: Once the past learnings and experiences have unlearned, an individual is now ready for new behavior and a change in perspective. Efforts are, then, made to substitute new attitudes, values and behaviors for old ones. This implies transition from old behavior to experimentation with new behavior.

Refreezing: In this final step, new attitudes, values, and behaviors are established as the new status quo. For this, the new ways of operating are cemented in and reinforced. This implies stabilizing and integrating the change by reinforcing the new behaviors and integrating them into formal and interpersonal relationships and in one's personality.

8. Limitations of the Study

- The study is confided to secondary data and all the facts and figures is based on the data collected through online sources.
- The paper fails to highlight the HRIS tools used by exiting banks as these are confidential information and unavailable on banks' official sites.

9. Conclusion

HRIS in banking sectors can prove to be an added advantage provided employees are able to enhance their capabilities, competencies, and capacities. At the same time, banks should do efforts to attain maximum cooperation from its employees through atmosphere of trust and confidence. The paper highlighted the importance of HRIS in banks, but it will only be fruitful if this transformation from manual to automation is implemented through planned and collaborated efforts of all. And this can be easily attained through efficient and effective use of OD interventions and its tools. India is no doubt a developing country, but the initiatives done by banks in making the banking sector at par with developed economy is highly commendable. However, the need of the hour is to prepare employees for this change so that they can contribute towards the cause. As without their coordination and cooperation this transformation will prove to be fatal and failure.

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ROLE OF CONSUMER PROTECTION ACT IN PROTECTING THE INTEREST OF CONSUMERS IN INSURANCE SECTOR

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Introduction:

Insurance is an important financial service catering to the needs of millions of people. Insurance is an intangible product. It is created with the help of an agreement between the policy holder and the insurance company. At the time of taking policy the policy holder is issued a document called policy bond by taking prescribed amount of premium. But the expected benefits from that policy depends upon the happening of a contingency. Therefore policy holder will not get any immediate benefits. He has to wait until the event has to happen or for a particular period. Ultimately the quality of service depends upon the successful execution of the contract in near future. If the company fails to execute the contract according to the terms, there arises a deficiency of service. To strength the Insurance sector in India, the Government has established the Insurance Regulatory and Development Authority {IRDI} in 2000. Even after establishment of IRDA, so many dissatisfied insurers of different companies have filed their complaints in various Consumer Forums. Hence the protection of interest of consumers in insurance sector is most essential thing now a day.

The life cycle of insurance can be viewed and analyzed from two perspectives. One is that of the consumer (insured), and the other is that of the insurer (company). The policy holder is looking at risks and impact for appropriate treatment to mitigate and control losses and to obtain maximum recoupment. On the other hand, the insurance company is looking at risks to develop products and address the needs of the insured and earn a fair return by way of premiums that will give him profits / surplus over and above the claims settlement. The relationship is mutual, symbiotic and interdependent. However, it also therefore envisages a better understanding of the risks, their likelihood and impact and the needs and pain points of consumers. Possible problems that may arise in the course of insurance business are enumerated below:

1. It has been observed that Insurance Companies do not tell the negative aspects of the policies while selling their Insurance products.
2. The sale of polices are made under wrong or misrepresentation of facts.

3. Many times Agents do not provide required service after the sale of policy rather they adopt callous attitude towards the policy holders and they become totally indifferent.
4. Many agents have been found to be charging excess from illiterate or less informed people.
5. When the policy matures, companies put temporary or fictitious obstacles to delay the payment.
6. Lot many cases have been filed in consumer courts and many decisions has gone against the insurance companies. There is quite an ample scope for the consumers to make use of consumer forums to stop their exploitation by these insurance companies.

Legal Framework:

The opening up of the insurance sector in the wake of economic liberalization policy, necessitated changes to be brought about in the legal frame works related to the conduct of insurance sector. The operation of the insurance business due to entry of private players required to be regulated and the interests of the buyers of insurance products demanded safeguards and protection. The legal framework relating to this sector underwent a drastic change. The first step in this direction was the establishment of the Insurance Regulatory Development Authority (IRDA).

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (IRDA)

On the basis of recommendation of Malhotra Committee, the Government of India has passed the Insurance Regulatory and Development Authority (IRDA) Act in 1999. This act extends to the whole of India. This act came into force on 19th April, 2000. The preamble of IRDA Act 1999 reads as "an Act to provide for the establishment of an authority to protect the interest of holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith and incidental thereto".

Objectives of IRDA:

a. To protect the interest of and secure fair treatment to policy holder.
b. To bring about speedy and orderly growth of the insurance industry (including annuity and superannuation payments), for the benefits of the common man, and to provide long term funds for accelerating growth of the economy.
c. To set, promote, monitor and enforce high standard of integrity, financial soundness, fair dealing and competition of those it regulates.

d. To ensure that insurance customers receive precise, clear and correct information about products and services and make them aware of their responsibilities and duties in this regard.

e. To ensure speedy settlement of genuine claims, to prevent insurance frauds and other malpractices and put in place effective grievance redressal machinery.

f. To promote fairness, transparency and orderly conduct in financial markets dealing with insurance and build a reliable management information system (MIS) to enforce high standards of financial soundness amongst market players.

g. To take action where such standards are inadequate or ineffectively enforced.

h. To bring about optimum amount of self regulation in day to day working of the industry consistent with the requirements of prudential regulation.

IRDA Guidelines for Grievance Redressal by Insurance Companies:

IRDA Regulations for Protection of Policyholders Interests, 2002 which provides for insurers to have in place speedy and effective grievance redressal systems, and in terms of the Authority's powers and functions as enunciated in Section 14 of IRDA Act, 1999, the IRDA hereby issues the following guidelines pertaining to minimum time-frames and uniform definitions and classifications with respect to grievance redressal by insurance companies. These guidelines are applicable for disposal of "grievances/complaints" as defined herein. All insurers shall ensure that the guidelines of the Authority are followed strictly.

1. Grievance/Complaint:

A "Grievance/Complaint" is defined as any communication that expresses dissatisfaction about an action or lack of action, about the standard of service/deficiency of service of an insurance company and/or any intermediary or asks for remedial action.

2. Grievance Redressal Policy:

Every insurer shall have a Board approved Grievance Redressal Policy which shall be filed with IRDA.

3. Grievance Officer/s:

Every insurer shall have a designated Grievance Officer of a senior management level. Senior Management would mean either the CEO or the Compliance Officer of the company. Every office other than the Head/Corporate/Principal officer of an insurer shall also have an officer nominated as the Grievance Officer for that office.

4. Grievance Redressal System/Procedure:

Every insurer shall have a system and a procedure for receiving, registering and disposing of grievances in each of its offices. This and all other relevant details along with details of Turnaround Times (TATs) shall be clearly laid down in the policy. While insurers may lay down their own TATs, they shall ensure that the following minimum time-frames are adopted:

(a) An insurer shall send a written acknowledgement to a complainant within 3 working days of the receipt of the grievance.

(b) The acknowledgement shall contain the name and designation of the officer who will deal with the grievance.

(c) It shall also contain the details of the insurer's grievance redressal procedure and the time taken for resolution of disputes.

(d) Where the insurer resolves the complaint within 3 days, it may communicate the resolution along with the acknowledgement.

(e) Where the grievance is not resolved within 3 working days, an insurer shall resolve the grievance within 2 weeks of its receipt and send a final letter of resolution.

(g) Where, within 2 weeks, the company sends the complainant a written response which offers redress or rejects the complaint and gives reasons for doing so,

(i) The insurer shall inform the complainant about how he/she may pursue the complaint, if dissatisfied.

(ii) . the insurer shall inform that it will regard the complaint as closed if it does not receive a reply within 8 weeks from the date of receipt of response by the insured/policyholder.

Any failure on the part of insurers to follow the above-mentioned procedures and time-frames would attract penalties by the Insurance Regulatory and Development Authority. It may be noted that it is necessary for each and every office of the insurer to adopt a system of grievance registration and disposal.

5. Turnaround Times:

There are two types of turnaround times involved.

1 The service level turnaround times, which are mapped to each classification of complaint (which is itself based on the service aspect involved).

2 The turnaround time involved for the grievance redressal. As to (i), the TATs are as mapped to the classification and prescribed by the Authority to insurers. These TATs reflect the time-frames as already laid down in the IRDA

Regulations for Protection of Policyholders Interests and more, as, wherever considered necessary(for certain service aspects not getting specifically reflected in the Regulations), specific TATs are indicated in the classification and mapping provided by the Authority. As regards (ii) above, the minimum TATs required to be followed shall be as prescribed in guideline 4 (a) to (g) as prescribed above.

6. Closure of grievance:

A complaint shall be considered as disposed of and closed when

(a) The company has acceded to the request of the complainant fully.

(b) Where the complainant has indicated in writing , acceptance of the response of the insurer.

(c) Where the complainant has not responded to the insurer within 8 weeks of the company's written response.

(d) Where the Grievance Redressal Officer has certified that the company has discharged its contractual, statutory and regulatory obligations and therefore closes the complaint.

7. Categorisation of complaints:

Categorisation of complaints as prescribed by the Authority from time to time shall be adopted by insurers and incorporated in their systems. All insurers shall provide for these classification categories in their respective systems.

8. Minimum software requirements:

It is necessary for insurers to have automated systems that will enable online registration, tracking of status of grievances by complainants and periodical reports as prescribed by IRDA. The system should also be one which can integrate seamlessly with the Authority's system in the manner prescribed by the Authority. The Authority shall define these requirements from time to time and insurers shall ensure that they provide for such software/system modifications as may be required. The objective is to create the required industry level database and systems that would enable speedy and effective redressal of complaints.

9. Calls relating to grievances:

Insurers shall also have in place a system to receive and deal with all kinds of calls including voice/e-mail, relating to grievances, from prospects and policyholders. The system should enable and facilitate the required interfacing with IRDA's system of handling calls/e-mails.

10. Publicizing Grievance Redressal Procedures:

Every insurer shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website.

11. Policyholder Protection Committee:

Every insurer that ensure that the Policyholder Protection Committee, as stipulated in the guidelines for Corporate Governance issued by the Authority, is in place and is receiving and analyzing the required reports from the management and is carrying out all other requisite monitoring activities.

Scope of Consumer Protection Act:

It is submitted that life insurance policy holder is 'consumer' under the Consumer Protection Act, 1986 and is entitled to seek redressal in consumer courts established under the Consumer Protection Act. It is usually observed that Insurance Companies do not tell the demerits of the policies while selling their Insurance products/Schemes.. Those policies are sold under wrong or misrepresentation of facts. The agents also do not provide customized service once their policy is sold rather they adopt callous attitude towards the policy holders and they become totally indifferent. They put many hidden charges and impose them immediately the policy is sold. In case of prepayment cases, they impose penalty about which they never tell to a customer. They display false picture before the customer to woo him by making the picture very rosy. Many agents have been found to be charging excess from illiterate or less informed people. When the policy matures, they put temporary or fictitious obstacles to delay the payment. Many times notices for periodical premiums are not sent by them with the intention that let the policy lapse & then they would be helpless to entertain the claim and the amount in the account is encroached upon by them & is not paid to the policy holder. Lot many cases have been filed in consumer courts and many decisions have gone against the insurance companies. There is quite an ample scope for the consumers to make use of consumer forums to stop their exploitation by these insurance companies

Redressal Grievance Machinery

If any of the customers of an insurance company suffers any loss or injury due to deficiency of service/defective product or any unfair/restrictive trade practice adopted or the company has not paid due compensation or grievance has not been redressed to the satisfaction of the consumer, he is free to approach the appropriate forum for redressal of his complaint.

Conclusion:

The opening up of insurance sector to the private players has infused a stiff competition in the insurance market. The number of insurance companies operating

in the insurance sector has increased drastically over the last few years. At the same time the number of products offered by different companies also increasing enormously. The insurance has become the avenue for investment along with the tool of risk bearing. It has changed the angle of whole industry. The stiff competition in the insurance industry has created a strong and efficient workforce. But at the same time made them to involve in unfair practices to attract the consumers. It leads to consumer exploitation and dissatisfaction. Therefore, consumer protection is inevitable for the growth of insurance industry. Consumers are economic asset but it is not enough solely to satisfy consumers. If the Insurance business wants to be successful in India in the long run, it must satisfy consumers at a profit.

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COMPETENCY MAPPING AND EVALUATION AT L & T

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Competency Mapping and Evaluation at L&T

ABSTRACT :

This paper consists of competency mapping and evaluation done in an organization and it talks about the advantages and disadvantages. This paper briefly covers the limitations, steps used in competency modelling and the observation inside the organization.

Competencies include the collection of success factors necessary for achieving important in a specific job or work role in a particular organization. Success factor like combinations of knowledge, skills and attitude known as KSA's .These are three definitions which are necessary to discuss:

Competency Map: A list of an individual's competencies that represent factors most critical to success in given jobs, departments, organizations, or industries that are part of the individual's current career plan.

Competency Mapping: Competency mapping is the procedure of an individual uses to identity & describe competencies that are the most critical to success in a work situation & work roles.

ADVANTAGE

1. Supercharge your training programmes
2. Recognise your employees' strengths
3. Clarify what you want from the role
4. Clear picture of your workforce's abilities

DISADVANTAFES

1. Competency management is treated as an HR process, rather than a business imperative
2. Identification of critical competencies is difficult.
3. Alignment of competency development with business goals is weak
4. Investment in competency management is deprioritized

OBJECTIVES

1. To understand the concept of competency mapping

2. To implement competency mapping in L&T Electricals and automation
3. To analyse the competency gaps on the basis of IS assessment and individual assessment.

Limitations of the study

In spite of the several advantages offered by competency mapping, there are few drawbacks to the approach. Some of these are discussed below:

1. A problem with competency mapping, especially when conducted by an organization is that there may be no room for an individual to work in a field that would best make use of his or her competencies.
2. If the company does not respond to competency mapping by reorganizing its employees, then it can be of little short-term benefit and may actually result in greater unhappiness on the part of individual employees.
3. If too much emphasis is placed on 'inputs' at the expense of 'outputs', there is a risk that it will favor employees who are good in theory but not in practice and will fail to achieve the results that make a business successful.
4. They can become out of date very quickly due to the fast pace of change in organizations and it can therefore be expensive and time consuming to keep them up-to-date.
5. Some of the employees were more skeptical about the study whether it will be helpful for them in the future or not. The amount of seriousness towards the study was a major limitation.

L&T ELECTRICALS AND AUTOMATION

'Unnati' - Automation Campus was inaugurated in October 2007. Aesthetically designed and spread across 100,000 sq.ft. area, it houses a fully equipped Systems Assembly area, separate air-conditioned Factory Acceptance Test (FAT- Systems Integration) area, a Technology Center, Customer Service Centre, a Quality Assurance department, a 24x7 Offshore Development Centre (ESS) with Green card certification from STPI (Software Technology Park of India) that caters to the needs of domestic and international customers, etc.

It is a 'Green' building which has received LEED (Leadership in Energy & Environmental Design) Gold certification under Existing Building - Operation & Maintenance category from U.S. Green Building Council (USGBC).

'Pragati' – E&A's new world class factory was inaugurated on June 24, 2014. It has an operational area exceeding 9,500 sqm and comprises a basement, ground plus two floors. It houses modules for the manufacture of C-Power and U-Power Air Circuit

Breakers, switchboards, shops for press working, moulding and tooling, in addition to a 170 seating capacity Dining Hall and an Occupational Health Center.

STEPS USED TO IMPLEMENT COMPETENCY MODELLING IN L&T

1. Step 1: Identify departments for competency profiling

Departments for which the following competency mapping was used is as follows

1. Maintenance Department
2. Safety and press shop Department
3. Security Department
4. Manufacturing Department
5. Purchase Department
6. HR Department
7. Quality Department
8. Stores Department
9. MTF Department

2. Step 2: Identifying hierarchy within the organization and selection of levels
3. Step 3: Obtain the job descriptions

   For the two levels at every department we obtained each role's job description and in cases where they were not available we conducted a detailed interview to derive a job description

4. Step 4: Preparation of semi structured interview

   As one of the tools for collecting information we prepared a list of questions that would make up a semi structured interview. These questions were put forth employees at the two levels

5. Step 5: Recording of interview details

   The candidate's answers and opinions were recorded in as much detail as possible for further reference during the project

6. Step 6: Preparation of a list of Skills

   As per the interview and the details that were generated from the candidate, were used to generate a list of skills observed for the job.

7. Step 7: Indicate proficiency levels

   Taking one competency level at a time different proficiency levels were indicated. For the project five levels of proficiency were defined for every

competency. Each proficiency level was defined in term of functional and behavioural indicators

8. Step 8: Validate identified competencies and proficiency levels with immediate superiors and other heads of the concerned department

   Competency definitions were confirmed with respective HODs and the required proficiency levels of each competency that is ideal for each role was obtained from them. The parameters were added and deleted according to the requirements.

9. Step 9: Preparation of competency dictionary

   A competency dictionary defining competencies and corresponding proficiency levels for each level across all departments was prepared

10. Step 10: Mapping of competencies

    Mapping of competencies of selected employees against the competency dictionary as per their employee level and department was done. Here an employee's actual proficiency level of a particular competency was mapped against the target proficiency level.

SOP for Competency Mapping

1) To define the standard template for Competency Metrics with weightage, parameters for each competency

- To define the broad categories for Metrics like functional, Behaviour, Business Excellence, Safety etc.
- To define competencies under each specified category with weightage
- To define evaluation parameter (rating Scales 1-5)

  1 - Beginner

  2 - Learner

  3 - Practioner

  4 - Expert

  5 – Trainer

2) Discussion with HOD's to validate about Competency Metrics for addition or deletions of competency parameters

3) To distribute & collect the Competency Metrics sheet with Individual for self-evaluation

4) To distribute & collect the Competency Metrics sheet with IS for Expected and Actual ratings

5) Calculate competency index for Self

- To divide Self Actual by expected rating (shared by IS) & find the index score
- To calculate average index score with respect to Weightage for each category
- To calculate sum of weighted average & average of index
- To multiply the sum of actual rating with Average of Index

6) Calculate competency index for IS

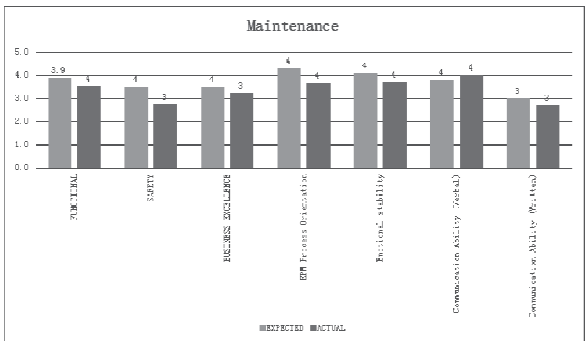
- To divide Actual by expected rating (shared by IS) & find the index score
- To calculate average index score with respect to Weightage for each category
- To calculate sum of weighted average & average of index
- To multiply the sum of actual rating with Average of Index

7) Graphical representation of each departments with reference to their ratings

DEPARTMENTS ANALYSED

1. Maintenance

SR NO	NAME
1	ASHISH SADHALE



Paresh Dalvi and subordinate

- **IS Evaluation-**

i) Regarding the communication with external entities has been a misrepresentation.

ii) Training needs should be addressed regarding the area were rated lower by the individual.

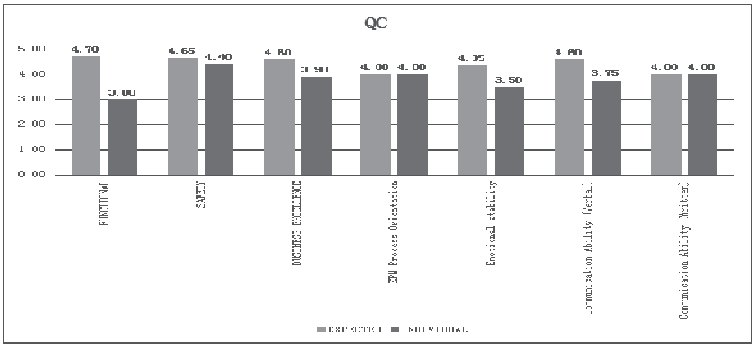
- **Self Evaluation-**

i) Rated himself higher on functional and communication ability(written)

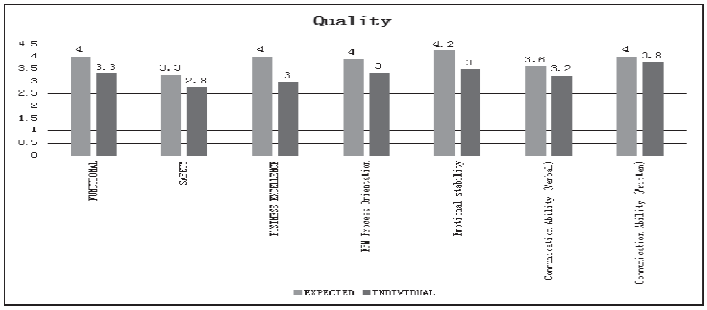
ii) Rated higher on safety parameters.

2. Quality Main

SR NO	NAME
1	KEVIN FERNANDES
2	SHARAD YADAV
3	TRUPTI TAMBE



Quality Control



SR NO	NAME
1	YOGITA ATUL
2	RAHUL JAIGAONKAR
3	SHANTARAM CHAVAN
4	SHASHIKANT KHANAPURE
5	NITIN CHAVAN

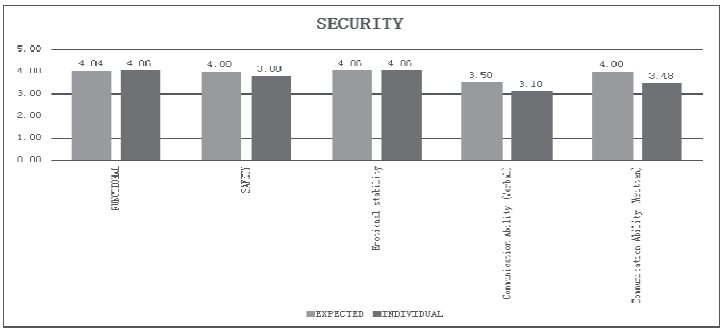
Sharad Yadav (QC)

- Self Evaluation- i)Subordinates rated themselves very high compared to the IS

ii)Variations are seen on all the parameters except safety

3. Security

SR NO	NAME
1	PANDURANG AREKAR
2	SUNIL KURADE
3	SANTOSH MAHADIK
4	RAMCHANDRA KABADI
5	NILESH REDEKAR

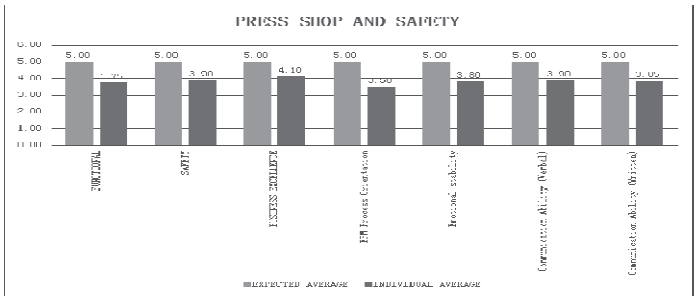


Anil Kadam & subordinates

- <u>IS Evaluation</u>- All his subordinates are on the same wave length except one.
- <u>Self Evaluation</u>- PandurangArekar was the only one who slightly rated himself higher, yet on the same page

4. Safety and press shop

SR NO	NAME
1	BHAVESH JOSHI
2	GAJENDRASINGH N THAKUR



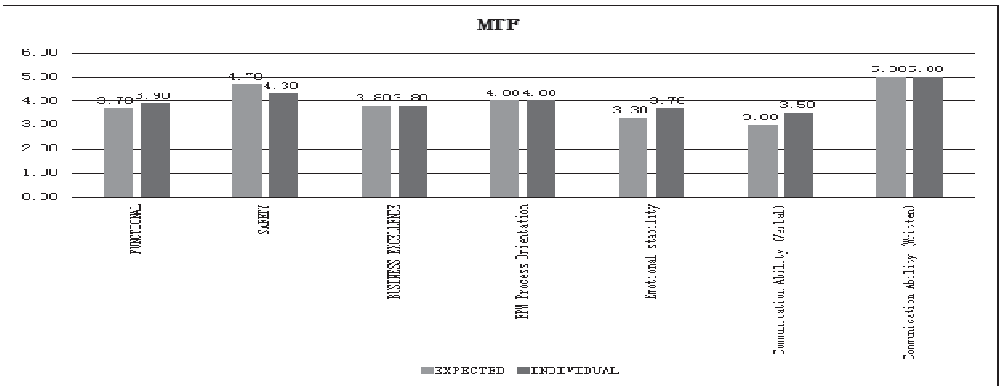
Sameer Waghmare& subordinates

- <u>IS Evaluation</u>- Improvements are needed in the sector of IT and software

  Consistently given expected ratings as 5 for both the employees
- <u>Self Evaluation</u>- Overrated themselves in communication ability written aspect

5. MTF

SR NO	DEPARTMENT	NAME
1	MTF	ANTHONY PEREZ

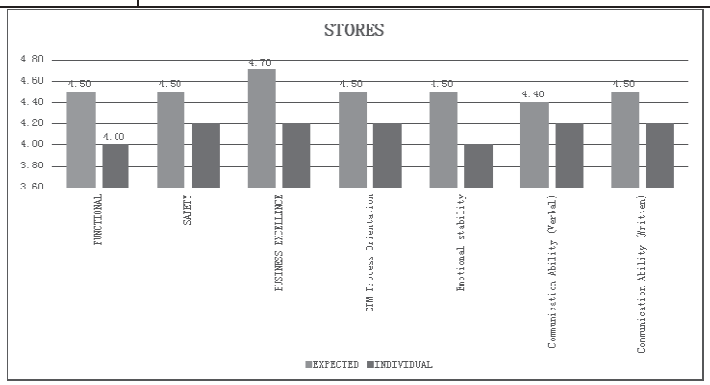


RavindraNevgi and subordinate

- IS Evaluation- i)Rated his subordinated higher as he has much more potential and handles his department solely whenever required
- ii) Justified the ratings with explanations
- Self Evaluation- The subordinate and the IS are on the same page

6. Stores

SR NO	NAME
1	AAMIRHAMJA M DARWANDAR

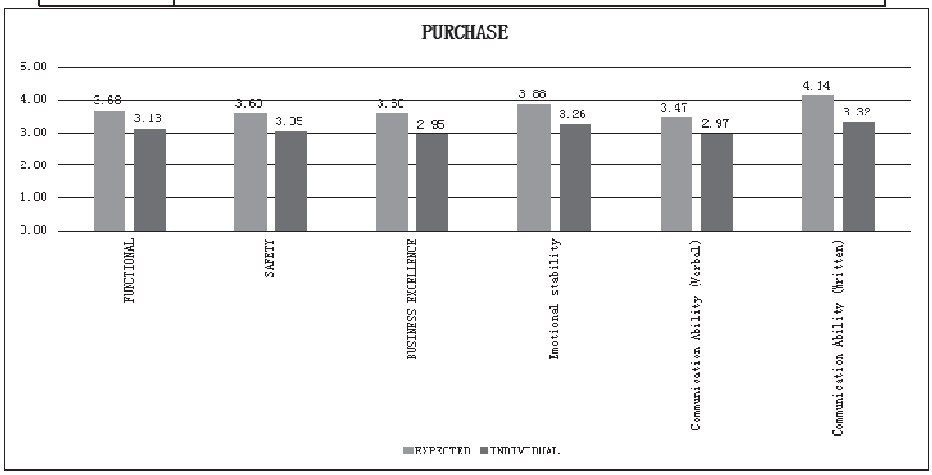


Vinay Shenoy& his subordinate

- IS Evaluation- Ratings seen diplomatic by the IS with only a point difference with the expected and the actual ratings
- Self Evaluation-Comparatively the subordinate rated himself lower in self evaluation

7. Purchase department

SR NO	NAME
1	A. V. PANCHAL
2	MAHESH GADE
3	NILESH PAGARE
4	PARAB DATTAGURU KRISHNA
5	PRIYANKA T PRABHUKHOT



NandkishoreTavate and subordinates

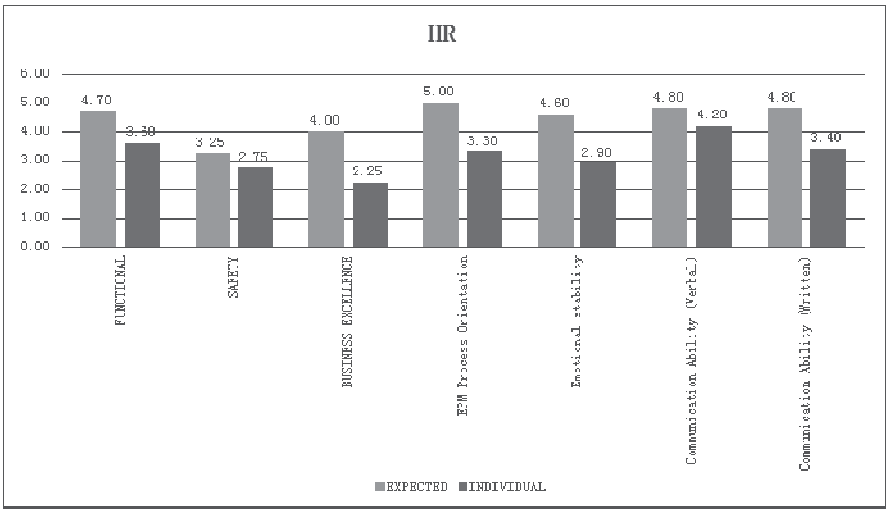
- IS Evaluation- Mahesh Gade was the one same page with IS with very

less difference with his IS.

- Self Evaluation- Individual rated themselves higher in self evaluation.

8. HR Department

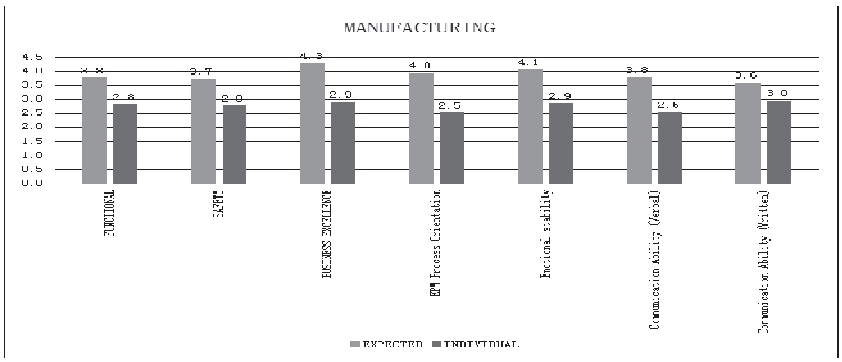
SR NO	NAME
1	RAJAN KARANDIKAR



Ashish Desai and his subordinate

- IS Evaluation- Communication ability(verbal) seen less compared to the IS expectations
- Self Evaluation- Rated himself higher during self evaluation for functional
- aspect& Business Excellence

SR NO	NAME
1	S.P. SHIROLE
2	RAMCHANDRA WAGHMARE
3	PRAVIN SAWANT
4	PRAVIN BARDE
5	V.I. BANT
6	JITENDRA THORAT
7	ANIL DHUMAL
8	G.S. GHARAT



SachinAngchekar and his subordinates

- IS Evaluation- The subordinates have rated themselves in a moderate manner, which creates a moderate reading of the ratings between expected and individual.
- Self Evaluation- Ratings are reduced at a moderate rate

OBSERVATIONS

1. Laid back attitude

Some of the employees were not professional regarding the whole competency evaluation study, which led the the project to delay with the data completion. The attitude of the employees was seen to be more casual rather determined.

2. Communication as a barrier

Communication was lacking between the subordinate and the superior on major areas which needed to be addressed at an immediate basis.

3. Value driven organization

The company was led on values and had a strong organization culture which drives people to behave in their best possible manner. This led to a smooth working with their workers.

4. Time allotted for meetings

The amount of time was spend more on meetings rather acting on the problems. Meetings are important in day to day activities though it went to an exceeding level that the company was more into meetings rather actions.

5. Support from superiors

Support from the superiors towards training, Training was not supported to a core. The time lost was more addressed than the benefits achieved after the training has been undergone. There needs to be a more push towards training and getting that training imparted to other employees.

LEARNING

1. In depth knowledge on each department

I had undergone with the competency mapping of 9 departments in L&T and had an opportunity to know the functions of each department in flow with each other.

2. Managing the co-workers

Some of the co-workers were very difficult to handle and had their issues with giving time and co-ordinate with the data collection. It was an experience on how to have the nag in handling the HODs to have your work done.

3. Presenting the competency model

The employees at large were not aware about the competency mapping. It was my duty to make them understand about the data and how it should be collected and what is to be done to evaluate the data.

4. Calculations of gaps

It was my duty to analyze the gap and make an evaluation sheet showing the gaps and were the gaps are at large. This was an opportunity to learn in excel and showcase my skills.

5. Analysis of gaps and showcasing of data

After the calculations of gaps, analysis was done based on the data received and calculations done. The analysis was shown to the HODs and their feedbacks were added on to the evaluation.

CONCLUSION

Competency Mapping is definitely a new era in the field of HR. It promises economical use of the most important resource, Human Capital by ensuring the best suitable job to the person. It also ensures individuals growth and development. An individual can map his or her competencies and find the job which suits him the most.

- In a nutshell it can be concluded that Competency Mapping helps organizations not only in Selecting Round pegs for round holes but also makes smaller round into larger one. In simple words it not only ensures the best person is recruited and placed in the best job suitable to the person, but also through training and appraisal It makes the less competent person into more proficient.

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A STUDY ON EMPLOYEE PRODUCTIVITY WITH REFERENCE TO 4 DAYS WORKING WEEK

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ABSTRACT :

A four-day week is an arrangement where a workplace or school has its employees or students work or attend school over the course of four days per week rather than the more customary five. This arrangement can be a part of flexible working hours, and is sometimes used to cut costs, as seen in the example of the so-called "4/10 work week," where employees work a normal 40 hours across four days, i.e. a "four-ten" week.

More modest attempts to enact a 32-hour workweek (a four-day week and an eight-hour day combined) have remained elusive in the following 80 years despite pockets of residual support.

In our research area we have asked questions related to 4 days working culture in India if it Four-day work weeks have been tried out in companies such as Amazon, Google and Deloitte and in a number of countries such as Japan and the US.

Several studies show various benefits such as reduced stress, increased productivity, and happier more engaged employees. Giving up on having an extra day off work per week is a big hurdle to your good employees when they think about moving to a new company.

We are going to do research on academicians, students, corporate, and professionals to know is it productive or not to adopt this system and what are their constraints which we will face, method adopted will be questionnaire method and thus survey report will be prepared.

Keywords: *Employee, Productivity, Working hours*

Introduction

The idea of a four-day working week is gaining momentum. The Labour Party has included it in its 2019 electoral manifesto, and Microsoft Japan announced positive results from a trial run earlier in 2019. Some fear it will “wreck” the economy. Flexibility appears to be a key factor in determining each firms schedule. Four-day workweeks are appealing because so many professional and managerial workers feel they are working intensely and too long, but it is often unclear how to take control of their time. Employees find it hard to find the time for reflection and recovery that

will allow them to do their best work as well as have more sustainable lives, protecting their health and caring for their families and communities. Though the reason the four-day office gives employees a boost may seem simple—more time off is delightful, right? there's much more to it. The four-day work week then becomes a prompt that encourages employees and managers to look at how they are working, to try to find smarter ways to get the job done, while also reclaiming some time for their own goals.

Literature Review

Phillis Moen (2019) said that U.S. professionals and managers already work more than five days and 40 hours per week, and "always-on accessibility made possible by new communication technologies" hasn't helped. "The strains contemporary American workers experience cannot be relieved by reducing days in the office if workloads and accessibility are not also modulated

Erin L. Kelly (2019) stated that Four-day workweeks are appealing because so many professional and managerial workers feel they are working intensely and too long, but it is often unclear how to take control of their time,"

Daniel Schneider (2017) said that Very often when we think about life conflict and over work, we have a vision of white-collar workers in mind," "It's super important we bring in hourly conversation

Objectives of study

1) To provide an overview of employees' experiences by reducing working hours trial
2) To study Employee feedback regarding the possibility of implementing a reduced work hours arrangement.
3) To understand the benefits & challenges of the reduced working hours arrangement on workplace behavior's, relationships and working environment

Research Methodology: -

Data was collected from primary as well as secondary sources. Different books, journals, websites were used for data collection. Primary data was collected through a structured questionnaire (Google form) 40 respondents filled the questionnaire

Data Analysis & Interpretation

To evaluate the influence of digital content over the respondents in Thane city the collected data was analyzed by Qualitative and Quantitative analysis. The results of the analysis were as follows: -

1. Encourage automation

The backbone of a four-day work week is productivity. To make up the loss in time, you'll need to maximize work efficiency everywhere you can. Of course, that's something you should be doing anyway. After all, if a task is simple enough to be automated in the first place, your time is better spent elsewhere. In that sense, implementing a four-day work week is just an convenient excuse to optimize your operations. If you start with automation, you might find that there's some wiggle room for you to cut down on hours.

2. Communicate with employees

Working fewer but more productive hours isn't something that can be forced. If your industry can allow for fewer hours, you also need to make sure your employees are up to the task—and that it's even something they want.Have an open and honest conversation about the idea and see what everyone thinks: Do they want to try it? Do they have suggestions for how to implement it? This could be a formal, company-wide meeting or a more casual conversation, perhaps in a #four-day-week Slack channel. You may also want to send your employees an anonymous survey if you think it would help them open up or be more honest about their opinions.

3. Start gradually and practice adaptive scheduling

Start by reducing the work week by two hours. See how it goes. If productivity increases—or even stays the same—try four hours. Eventually, you'll build up to that four-day work week without as many growing pains.

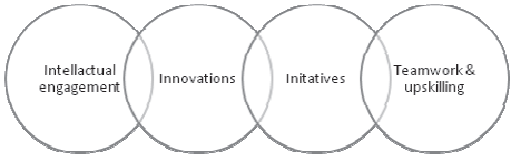
The logistics of scheduling is one of the lesser-known evils of a reduced work week. This goes double for customer service or any other industry that offers around the clock support to users or clients. To ensure that there are no gaps, you may need to institute rotating schedules. In other words, if you're reducing the work week by two hours, give half your employees the first two hours of Monday and half the last two hours of Friday. To be sure this kind of rotating schedule doesn't affect internal and external meetings, enlist the help of a meeting scheduler app.

4. Track productivity

You'll need to track your employees' productivity to be sure that the 20% reduction in time is paying off for the company. If you don't already, select a time-tracking app or a project management app that can easily track your team's productivity and output.

Be careful about the implementation here: You don't want your employees to suddenly feel like their time is being micromanaged. Instead, give them the flexibility to be as productive as they can be, while still ensuring that their time is being well spent.

Part 1: Impact of reduced working hours on workplace dynamics



Few challenges which we analyzed a company or service industry or education sector can face are as follows-

Beneficial outcomes The data paint a clear and consistent picture of the multiple ways in which the increased non-work time improved the quality of employee's lives.

- An enduring theme across all groups is that the individuals had more time to accomplish tasks in their personal lives that are often 'crammed in', 'put off' or 'rushed between' in the busyness of a 5-day work schedule. Many reported a satisfaction with accomplishing these personal tasks, and this feeling spilled over to the workplace as an overarching feeling of motivation and productivity. The ability to complete chores and errands during the week directly improved the experience of a weekend, as employees were 'freed up' to spend 'quality time' with friends, family, or themselves on a weekend. Many reported feeling 'less psychologically rushed'. Another dominant theme was having more time to participate in family life.

1. Out of the total respondents 54(54%) are male while 46(46 %) are female.
2. A total of 26 (26%) belong to age group less than 25 and 28 (28%) were from the age group 26 to 30 and 16(16%) are from the age group 31 to 35 and 25 (25%) were from the age group from 35 onwards
3. Around 60% of the respondents were working in an organization, 20% had their own business, 10% were in events & theatres and remaining 10 were unemployed
4. 40% respondents were satisfied with their working hours, and 40% were dissatisfied with their working hours, remaining 20% said maybe they are satisfied with the working hours but not completely sure
5. 60% respondents were open to the idea of working four days a week in spite of being told that they have to work extra two hours in that 4 days, 20 % of the respondents were not happy with they idea of working four days a week as

preferred their current schedule of work, and remaining 20% were not sure whether they would adapt this culture or continue with the same schedule which they are currently working

6. With regards to implementation of hourly system in Indian organizations 80% of the respondents were positive about that change being implemented and remaining 20% were against it
7. 75% respondents were ready to give their 100% if the implementation of four-day work week is introduced in the workplace and 25% were not convinced whether they can give their 100% for the longer working hours
8. The impact of reduced working hours on the workplace dynamics to which the respondents gave the following response with regards to the mentioned following points 39% Teamwork, 24% Intellectual engagement, 12% Innovation, 25% Initiative

Conclusion -

The overwhelming majority of research participants were unanimous in their hope that reduced working hours will become an ongoing reality. The majority feels that their team demonstrated that they are capable of meeting (or in some cases exceeding) productivity targets within shorter working hours. A small proportion of managers would prefer to implement compressed working hours or other flexible working arrangements (work from home, etc.) rather than reduced working hours. Others outline a number of 'caveats' to accompany a program of reduced working hours. Two main areas of feedback resonate across the organization. • Clarifying the expectations of the additional time off Across the organisation, staff have different perspectives regarding the meaning and norms of the time off. Should it be a day of annual leave (and therefore no expectation to work, answer calls/emails, etc.)? Should it be seen as a flexible working day (and therefore one may be required to work if needed)? Should the reduced hours be mandatory for reasons of equality? (I.e. if some employees choose not to take the time off, while they benefit disproportionately in terms of career progression, more interesting work etc?) Should it be seen as optional? (And therefore, employees will choose to opt in/out and decide weekly if they will take the day off?) If the 'day off' is seen as optional or 'a bonus', then, as one employee observes, staff may not 'change your mind around how you work'. Some employees called upon management to provide a clear and unified answer to these questions. This is by no means straightforward as managers articulated differing perspectives and preferences as well. • Investing in organizational development Both employees and managers believe that more training, support and resourcing would be needed to ensure sustainable changes and benefits. Employees frequently suggested that the company should implement more advanced information technology in order to enable greater productivity (such as

remote working technology, an improved knowledge management system so staff have faster access to information online, chat-bots/robots to automate functions, etc.) It would appear that teams may also need greater structured guidance and training about how to apply lean management principles to their work tasks in order to identify inefficiencies and create new ways of working. Others raised questions about whether the organizational structure is facilitative of a vastly different way of organizing that would be required of a reduced work hours model. Some managers were cautious about moving too quickly to implement reduced hours without undertaking this significant redesign and investment first.

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HUMAN RESOURCE MANAGEMENT IN URBAN CO-OPERATIVE BANKS

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ABSTRACT :

The world of working is rapidly changing. In such a competitive world employees are the key factors for deciding the success of the firm. Indian cooperative banking movement has passed through hundreds years of its existence . But human resource management has been a neglected field in cooperative cooperative banks over over a period of time. So due to the poor image of cooperative bank employees in the society affects they are morale.human resource development is the key factor to build & develop an economy.Hence this paper brings some suggestions and recommendations for the development of human resources in co operative society and also to focus the importance of human resource management in urban cooperative banks.The post-independence era has witnessed a spectacular development of the co-operative movement not only in the size of business activities.They are progressively becoming intricate business mechanism, requiring all the tools and techniques of modern management for their success one of the constraints in their growth and development has been the lack of trained manpower to manage their affairs on efficient business lines. human resource development is the key factor to build and develop an economy.Human resource development is the key factor to build & develop an economy.The task of human resource development is much difficult in a co-operative organization than in a private enterprise.

1. Introduction:

Human capital is the most crucial resource or asset any nation can boast of in the 21st century.Human resources are backbone for any organization. According to Finnegan (1983),recruitment means “The right people in the right job”.The ardent

challenges in the globalized economic system include develop HRD policies which meet both organizational and individual objectives. In the service sector like banking, insurance, etc. human resources play a predominant role in successful delivery of the service. In banking industry, the sector adopting socialist pattern is co-operative sector. The urban co-operative banks have emerged to avoid the exploitation of people by money lenders. This purpose has been achieved by the banks.

Human resource management would be mandatory to train management to be more supple in its practices. They must be well-groomed in order to take risk, think innovatively , and deal with problems. Indian cooperative banking motility has passed through hundred years of its existent.

Co-operative banking is based for the development of agriculture but Urban Co-operative banks are formed for the development of urbanized backward class of the society. Now, the Urban Co-operative Banks are the prime competitors of Private Commercial Banks. The Reserve Bank of India, is giving permission for the formation of Urban Co-operative Banks with some specific directions and segments. Urban Co-operative Bank's organization, structure, management, working, etc. are controlled by Reserve Bank of India and Co-operative Societies Act. It means that there is a duality of control.

2. Review Of Literature

The research design is exploratory till identification of service quality parameters.In review of literature, an attempt has been made to review committee's reports, research papers, articles and books related to different issues on human resource development in cooperatives.

A Micro-Level Man Power Planning Model for Banks; by Jayantilal Jain and K. Balachandran, was modified version of the model suggested by the first author (previous reference) after incorporating the changing requirements of public sector banks for optimal distribution of man power, of course without any change in the basic model.

- **ICA Policy on Human Resource Development (1990) –** The overall aim of the ICA Policy for Human Resource Development is to contribute to the effective implementation of the ICA Policy for Cooperative Development, viz. "the establishment and growth of independent, democratic and viable cooperative organizations, in which men and women participate on equal terms. These organizations must be capable of serving their members efficiently and contributing to economic growth and social equity in their respective communities and / or countries".

- **Brahm Prakash Committee (1991)** – It was appointed to revise the existing cooperative laws for cooperative development through voluntary participation of the people. The Committee recommended a Model Cooperative Law in 1991 in order to make cooperatives self-reliant, autonomous and democratic. It was circulated to all the states with the advice to incorporate the same, as it ensures more power to the members, more participation and less government intervention in the affairs of cooperatives.

The Task Force to Study the Cooperative Credit System (1999) – Chaired by Shri Jagdish Capoor suggest measures for its strengthening observed that Human Resources Development is an important component for the success of any organization. It has, however, not been accorded the importance it deserves in the cooperative institutions. The cooperative banks are generally headed by a committee of elected members, who are not necessarily professionals in the field of banking and finance. According to the Task Force, the cooperative banks have to evolve sound personnel policies encompassing proper manpower planning and assessment.

The Expert Committee on Rural Credit (2000) – under the Chairmanship of Prof. V.S. Vyas made the recommendations on Human Resource Development, many rural financial institutions suffer from poorly motivated and inadequately trained staff. Staff strength is sometimes too high (mainly in cooperatives) and sometimes too small. In cooperatives, these should be based on human resources requirement studies to be conducted in all States by reputed professionals. Cooperative CEOs should be professionals (and not on deputation from Government, etc.).

- **National Cooperative Policy (2002)** – Last, but not the last, the government recognizes the need to develop human resources, cooperative education and training, appropriate technologies and infrastructural facilities so as to promote professional management in cooperatives.

Task Force on Training and HRD of Cooperatives and RRBs (2002-2007) – chaired by B.S. Vishwanathan has emphasized the need for professionalization in cooperatives and has recommended for continuance of Cooperative Education and Training schemes during X Plan.

The Task Force on Revival of Rural Cooperative Credit Institutions (2005) – under the chairmanship of Prof. A. Vaidyanathan, recommended that the cadre system of employees at all levels be abolished. Further, it has to be ensured that professional CEOs and all the staff of PACS, CCBs and SCBs are appointed by the cooperatives themselves and that they also decide on their service conditions. All the employees need to be answerable only to the respective Boards of these cooperatives.

- **Das Banshree, Dr. Palai N.K. and Dr. Das Kumar (2006)** – The paper focuses on several pitfalls and shortcomings like: poor infrastructure, lack of quality

management, over-dependence on government, dormant membership, non-conduct of elections, lack of strong human resources policy, absence of professionalism, etc.

The paper makes an assessment of future prospects of the urban cooperative sector of India.

3. Need for the study

To sustain the growth and also to stimulate the growth further, it is apparent that all efforts should be made to develop human resources in all cooperative organizations. Unlike private enterprises, the scope of human resource development in the cooperative organizations is wider in the sense that the co-operatives for their development will have to develop the ordinary members, the members of the Board and also the employees. As a further perspective, the cooperatives will also have to think to develop the prospective members who may enter the cooperative organizations in future.

The task of human resource development is much difficult in a co-operative organization than in a private enterprise where the main focus of development is confined only to the employees. Hence this paper mainly concentrates on implementation of HRD in cooperatives. Human Resource Management in Urban Co-operative Banks having a vital significance for the attainment of the objectives of the bank organization.

4. Objectives of the Study

1. To know the HRM in urban co-operatives
2. To offer the suggestions for the development of Human Resources in urban Co-operatives.

5. Research Methodology

The objectives are achieved by studying Human Resource Management in Urban Co-operative Banks .

a) Primary Data

The study is mainly based on secondary data which is collected from Committee's Reports,Journals, Newspapers and also personal opinion of the different authors and experts.

b) Secondary Data

The secondary data were of those which have already been collected by some other agency and which are already processed. Secondary data may be available in the form of published or unpublished sources. Researcher will collect the data by means

of the related sources such as Text Books, Articles, Published papers, Journals, Periodicals, Published statistical reviewed statement and Web portals.

6. Implementation of HR in cooperatives

Having discussed the definition, significance and some experiences in its application, let us also discuss the implementation of HRD. It involves all the aspects of management, but we will concentrate only on the important ones.

1. Commitment of the management and staff to HRD

HRD can come into practice only when personal in an organization, both at the top and lower levels, have understood the implications of HRD and desire its introduction for better performance. Such understanding would result in commitment.The future of the cooperative services is in the hands of its members who must strive for creativity, academic excellence, and the pursuit of excellence of service in their professional activities.

If the top cooperative administrators have faith in their subordinate in would generate sufficient energy and enthusiasm to get the cooperation of the entire staff in an organization as faith is contagious. Staff-members would try to make use of the management techniques to promote efficiency in such congenial environment. Such a situation would generate a chain effect of optimum performance and creativity. For the use of appropriate management techniques, we will have to train the personnel in these techniques, so that they can use them and make a definite impact on productivity.In “The Administrator” Robert M.Hutchines writes: “The rewards of the administrator may not br public memorials, religious rites and a pleasant journey to the Island of the-Blest. For those things he should care not at all. His satisfaction will come, even if he fails, from having seen and attempted one of the most difficult works of the mind and one of the most challenging human tasks”.

2. Specific action plan and strategy

There is a need to develop a time-bound plan to implement the proposed changes. We may use here techniques like PERT/CPM. There is a need to design the strategy in terms of goals and objectives. The HRD represents an intervention strategy with, inter alia the following overall objectives namely:

a. Arresting Bridging pre-active inefficiencies of knowledge and professional skills

   (curative);

b. Shaping adjustments with social-technological, environmental changes (adaptive);

c. Developing new outlook, an ethological version of quality excellence and

accomplishment (promotive); and

d. Making a total obsolescence, both individual and organizational (preventive);

e. man with new cultural attributes (transformative);

3.The professionalization of management of cooperatives has following implications

- Establishment of mechanism for induction of professionals in urban cooperatives.
- Formulation and implementation of enabling and dynamic personnel management policies by cooperatives. Clear demarcation of powers and responsibilities of elected board and chief executive. Coordinated functioning of elected chairman and chief executive focusing on policies of the organization.

4. Formulation and implementation of dynamic HRD policies

Keeping in view the emerging challenges and opportunities from globalization of economy, there is urgent need for reviewing the status of professionalization of management of cooperatives and for evolving workable steps for improving the situation. The National cooperative union of India may sponsor a comprehensive study in this regard.

3. Building morale and motivation among the members cooperative organization

The most important task of cooperative task of cooperative organization must be to give abundant and constant evidence of its belief that personnel in an organization are the key to development. This requires proper motivation of the employees which provides a base for the management functions of planning and organizing. It has been noticed that the performance of the personnel either as individuals or members of a group is less as compared to their capabilities In terms of skills, abilities and capacities. Finer, for example, states that demonstrated performance generally never exceeds more than fifty per cent of the individual's ability to perform. Most individuals tend to balance their efforts around an assessment of relative costs (time and energy) and benefits. A climate of creativity must be developed and maintained by management so that the performance levels know no bound and growth becomes a way of life.

5. Counseling and mentoring:

The main purpose of counseling and mentoring is to help the employees scientifically be sensitized to their potential,strengths and weakness. It also helps them in sharing and discussing their tensions. Conflicts, concerns and problems so that the adverse impact on productivity and well-being could be thwarted.

5. Developing team-work

Team-work requires, among other things, that the members have an image of their own team-mates, which coincides as precisely as possible with reality. In addition, each member must have a self-image which adjusts to reality as much as possible and thus coincides with the image the other members have of him.

World over, the technology driven channels such as ATM, net banking, and mobile banking have reduced walk-in-customers at the bank branches. But it is observed that the employees in cooperative banks they are more soothing in traditional banking system.

Conclusion

- Cooperatives need to ensure that members and employees are regarded as human resources important for the sound development of the cooperative enterprise. The part of human resource management that specifically deals with training and development of the employees. Effective training is an investment in the human resource of an organization, with both immediate and long range returns. Cooperatives are value-based, member-based, member-owned and democratically controlled. The primary purpose of a cooperative is to satisfy the social and economic needs of its members.

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WHAT KIND OF LEADERS WILL GENERATION Z WANT? AN EXPLORATORY STUDY OF PREFERRED LEADERSHIP STYLES AMONG THE NEXT GENERATION OF EMPLOYEES IN ITALY

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ABSTRACT :

Research on generational differences within the field of organizational behavior has grown over the years. This growth has resulted in the recognition that generational characteristics play a significant role in how employees prefer to be led and managed. The present study explores what leadership behaviorsare more valued by members ofthe Generation Zusing data obtained from auniquesample of 1,188 high schools students in Italy.Our results indicate that both transformational and transactional leadership are the preferred leadership styles of Generation Z while the laissez-fair leadership style is the least desired.

Keywords: *leadership, leadership style, generations, generational differences*

1. Introduction

In recent years, management research has increasingly focused on generational differences in the workplace.The underlying argument in this strand of research is that members of different generational cohorts have distinct work values, attitudes, motivations, and behaviors (for a review see Twenge & Campbell, 2008). Consequently, itis critical that organizations understand these differences in order to be more effective in managing a multigenerational labor force.

Recently, the idea that generational differences exist has also emerged within contemporary leadership theory(e.g., Balda & Mora, 2011; Graen & Schiemann, 2013). It is argued that preferred leadership styles differ significantly among employees who belong to different generations. Indeed, several studies suggested that different generations require different leadership styles.

The present study aims to explore the preferred leadership style(s) of the cohort of young people who were born between 1999 and 2003in Italy. This age cohort, commonly referred to as Generation Z, is attracting increasingly scholarly interest as it will soon enter the labor force.

This paper will start by reviewing existing theories on generational differences in the workplace.It then explores what leadership behaviorsare more valued by members

ofthe Generation Zusing data obtained from auniquesample of high schools' students in Italy.

Results from the field studysuggest new directions for the development of leadership theory by shedding light on the perspective of the next generation of workerson leadership. This is significant for managers in order for them to adapt their leadership styles to employees' needs and characteristics in order to elicit the highest level of motivation and job performance.

2. Theoretical Background

2.1 Generational differences in work values and attitudes

The impact of generational differences has received growing attention in the academic literature and in the popular press. A generation can be defined as an "identifiable group that shares birth years, age location, and significant life events at critical developmental stages" (Kupperschmidt, 2000, p. 66). This concepthas its early origins in sociology, namely in the work of Karl Mannheim (1952). The author defined a generation as a 'social location', suggesting that members of a generation not only share the same year of birth but also participate in certain common experience (social and historical events). This shared experience creates a 'collective memory' (Schuman & Scott 1989) of those events that affects their future attitudes and behaviours. Indeed, each generation is influenced by social, cultural and economic forces (i.e., parents, friends, media, economic and social events, and popular culture) that create common value systems distinguishing them from people who grew up at different times (Twenge et al., 2010).

This idea of generation has been widely adopted by marketing and human resource scholars in order to differentiate among groups of people having different values, expectations and preferences (Parry & Urvin, 2011).

However, setting clear boundaries between generations is problematic. Most research into generational differences has been conducted across Western economies such as USA, UK, and Canada, where the standard approach has been to assume that there are currently in the workforce four generations of Veterans, Baby Boomers, Generation X and Generation Y, and another group, called Generation Z, that is just entering the workforce (Table 1).

Generation	Years of birth	Also known as
Veterans	1925-1945	Silent Generation, Matures, Traditionalists
Baby Boomers	1946-1964	
Generation X	1965-1981	Thirteenth, Baby Busters, Lost Generation
Millennials	1982-1999	Generation Y, Nexters, Echo

Generation	Years of birth	Also known as
		Boomers
Generation Z	1999-2014	iGeneration, Gen Tech, Net Gen

Figure 1 – Generational groups currently in the workforce

Although it is not easy to distinguish the generation effects to the changes due to ageing, life stage or career stage, several authors suggested that work values differences may exist between generations (Cennamo & Gardner, 2008). Gaining a better comprehension of the work values of the new generations entering the workforce and how they differ from the values of previous generations represents one of the biggest challenges for organizations.

Researchers have proposed numerous approaches to classifying work values, starting from the assumption that values are useful indicators of an individual's decisions and actions, being enduring and relatively resistant to change (Rokeach, 1973). Brief (1998) defined work values as the outcomes people desire and feel they should attain through work, suggesting that these values shape employees' preferences at work and consequently their attitudes and behaviors (Dose, 1997).

One of the most widely used distinction in work values is between values that are extrinsic, or a consequence of work (i.e. external to the individual, such as job security, income, status, advancement opportunities) or intrinsic, occurring through the process of work and reflecting the inherent interest in the work, the opportunity to be creative, the learning potential (Deci & Ryan, 1985). In their longitudinal study on generational differences conducted on a nationally representative sample of U.S. high school seniors, Twenge and colleagues (2010) added on other work values to the extrinsic and intrinsic ones: autonomy in decision making, job security, altruistic rewards (e.g helping others, contributing to society), social rewards (e.g. interpersonal relationships at work), and leisure rewards (e.g. opportunity for free time, work-life balance, freedom from supervision). They found that compared with Boomers, Generation X and especially Generation Y hold stronger values for leisure time and favor work that provides extrinsic rewards.

Contrary to what popular press usually indicate, Generation Y does not place more value on work that provide altruistic rewards more than previous generations. Interestingly, these results are confirmed by other time-lag studies (i.e. studies examining people of the same age at different points in time) which indicate that more recent generations place less value on work for its own sake (Kowske et al. 2010; Smola & Sutton 2002). Specifically, Smola and Sutton (2002) found that 1999 respondents were more likely than the 1974 respondents to quit their job if they inherited a lot of moneyand disagreed that "rich people should feel an obligation to work even if they do not need to''. Consistently, Kowske et al. (2010) reported that work centrality declined for the youngest generations. In her review of empirical

research on generational differences in work attitudes, Twenge (2010) indicated that most studies found that Generation X, and especially Generation Y, expressed a weaker work ethic, believed that work was less central to their lives, and sought more freedom and work-life balance than their Boomer counterparts. Thus, most research found a fairly consistent generational trend toward leisure values while no significant differences in altruistic values and intrinsic rewards were found among generations. These results suggest that an emphasis on meaning in work and how the work helps others may be effective, but no more effective than it was for previous generations (Twenge, 2010).

2.2 Leadership Styles

Contemporary theories on leadership styles stem from Burns's seminal work (1978). Burnsintroduced the concepts of transformational and transactional leadership in his treatment of political leadership.Burns focuses on the difference between transformational and transactional leadership in terms of what leaders and followers offer one another. Transformational leaders offer a purpose that transcends short-term goals and focuses on higher order intrinsic needs. Transactional leaders, in contrast, focus on the proper exchange of resources.

Bass and his colleagues (Bass, 1985, 1999; Hater and Bass, 1988; Waldman et al., 1990; Yammarino et al., 1993; Avolio et al., 1999; Bass and Riggio, 2006) have developed Burns's conceptualization, with several modifications and further elaborations. They have focused on the "full-range" of leadership behaviors distinguishing transformational, transactional, and laissez-faire ("full-range") leadership styles, elaborating considerably on the behaviors that manifest these different styles.

The transformational leadership style encompasses four dimensions: the idealized influence, the inspirational motivation, the intellectual stimulation and the individual consideration (Bass & Avolio, 1994).Transformational leadership and charismatic leadership are often used synonymously due to the charismatic attitudes of the transformational leader (Brassey-Schouten, 2011). Charisma, or idealized influence, is the degree to which the leader behaves in ways that stimulate admiration and foster followers' identification with the leader. Charismatic leaders display conviction, take stands, and appeal to followers on an emotional level.According to Bass and Avolio (1994), transformational leadership is seen when leaders stimulate interest among colleagues and followers to view their work from new perspectives; generate awareness of the mission or vision of the team and organization; develop colleagues and followers to higher levels of ability and potential; motivate colleagues and followers to look beyond their own interests toward those that will benefit the group. Transformational leaders "motivate others to do more than they

originally intended and often even more than they thought possible" (Bass & Avolio, 1994, pp. 2-3).

The transactional leadership style is based on transaction or exchange. The three dimensions of transactional leadership are contingent reward, management by exception—active, and management by exception—passive. Transactional leaders offer "promise and reward for good performance" and "treat and discipline for poor performance" (Bass, 1999).

A final form of leadership is laissez-faire leadership. Leaders who score high on laissez-faire leadership avoid making decisions, hesitate in taking action, and are absent when needed. The main characteristics of the laissez-faire leadership style are minimal information and resources, virtually no participation, no involvement or communication (Goodnight, 2004). Thus, laissez-faire is often described as a form of "non-leadership" (Bass, 1985; Harland et al., 2005 and Kurfi, 2009) because the leader holds nearly no influence over his followers.

The main proposition of transformational–transactional leadership theory is that "transformational leadership styles build on the transactional base in contributing to the extra effort and performance of followers" (p. 5). In this regard, Bass (1999) suggested that "the best leaders are both transformational and transactional" (p. 21). Howell and Avolio (1993) agreed with this viewpoint, stating that transformational leadership complements transactional leadership and that effective leaders often supplement transactional leadership with transformational leadership.

3. Methods

3.1 Participants and data collection

The field study involved students from eight high schools located in central Italy.For the purpose of this study, only students who were in their last two years of education, thus approaching the labor market, were contacted. Data were collected in 2018.With the support of research assistants, questionnaires were distributed randomly during high school classes. Participants were assured anonymity and guaranteed that their responses would be reported as an aggregate score only. Complete valid responses were obtained from 1,188students from different educational domains (58 per cent scientific studies, 20% humanistic studies, 22% technical).

The sample consisted of 56 per cent men and 44 per centwomen.Participants were born between 1999 and 2003. Age was distributed as follows: 13 per cent of students were between 15 and 17 years old, and 87 per cent were between 18 and 19 years old(Table 1).

Table 1 –Sample Composition

	Absolute Frequency	Frequency percentages
Gender		
Women	520	44%
Men	662	56%
Age		
15-17	154	13%
18-19	1028	87%
Mean		
SD		
Education Field		
Scientific	686	58%
Humanistic	236	20%
Technical	260	22%

3.2 Measures

For the purpose of the present study the leadership styles construct has been conceptually defined in terms of the theory of transformational – transactional leadership developed by Bass and Avolio (Bass & Avolio, 2000). The leadership styles were measured with 13 items from the Multifactor Leadership Questionnaire (MLQ) (Avolio & Bass, 2004). The MLQ is considered the standard instrument for assessing leadership styles and its effectiveness has been proven in a number of settings and in many countries around the world (Judge & Piccolo, 2004).The MLQ questionnaire was originally developed by Bass (1985) and re-examined and improved several times afterwards. It assesses the degree to which subordinates feel that their leader exhibits transformational, transactional or laissez- faire leadership.

For the purpose of the present study we selected items that describethe three leadership styles: transformational leadership (5 items), transactional leadership (4items), and passive/avoidant style (4items).Each item describes a certain behavior. On every one of those questions participants were asked to indicate how much the described behavior reflect their ideal leaderon a 5-point Likert scale.

4. Results

Our results indicate thatboth transformational and transactional leadershipare the preferred leadership styles of Generation Z while the laissez-fair leadership style is least desired style for most respondents (Figure 1). These findings are consistent with the idea that transformational and transactional leadership are not opposite ends of a single continuum because best leaders are both transformational and transactional (Bass, 1998). In addition, our results confirm that laissez-faire leadership is firmly separate from transformational and transactional leadership, because it represents the absence of any leadership (Avolio, 1999; Bass, 1998).

Taken together, these findings suggest that members of the Generation Z are looking for leaders who devote themselves to employees, appeal to them on an emotional level, and give them support (transformational leaders), or for leaders who are able to make followers' expectations clear, and to offer recognition and rewards when goals are achieved (transactional leaders). More importantly, our data show that Generation Z does not look for passive leaders, who leave room to individual autonomy without setting clear objectives or strong relationships with their followers.

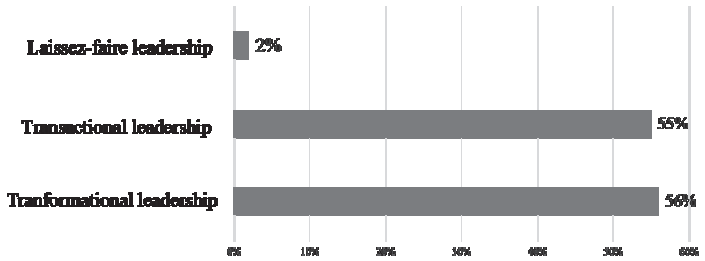

Fig. 1- Percentage of respondentswho strongly believe that a leadership style is desirable at work

This might appear a counterintuitive result as we all know that Generation Z is the first truly digital native generation, constantly connected, used to have often 'technology-mediated' relationships with other people. This might suggest that these young workers will be less motivated to pursue quality relationships with leaders.Instead, our results suggest that they value a leader who is around for them, who inspire them and set clear goals and expectations.

5. Discussion and conclusion

The overall objective of this empirical work was to fill a gap in the literature about the preferred leadership style of young people who will soon enter the labor force. Our findings suggest that generation Z look for leaders who are transformational and/or transactional, while dislike laissez-faire leaders. Of course, these results should be interpreted in light of several limitations. The study is based on measurements taken only at one point in time, therefore we cannot distinguish the effect of generation to that of age or career stage. In addition, we collected data only

on members of Generation Z, and this does not allow for a comparison with other generations' preferences towards leadership styles. Finally, data were collected among young students who do not have any work experience therefore their preferences with regard to leaders' behaviors should be interpreted with caution. However, this study represents a first attempt to explore the kind of leadership that Generation Z is looking for. While several studies have focused on comparing Boomers and Generation X and a few researches explored the Generation Y values and attitudes at work, Generation Z has received no empirical examination. Filling this gap is important if one considers that members of this generations currently represent a quarter of the US population and are joining the workforce in massive numbers(Lanier, 2019). Organizations need to get ready for the challenge of motivating this new generation, that brings at work unique expectations, values and attitudes. To do that, they have to develop and encourage leadership styles that are tailored to this young workers' values and expectations and designteam structures that optimally and strategically engage them.

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"THE EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES (HRM) ON JOB SATISFACTION IN PRIVATE HOSPITALS OF SATARA DISTRICT."

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ABSTRACT :

The health-care sector is always under pressure to operate more efficiently and has to face the challenges of increased market competition, changed legislation and providing best care to the patients. The most critical factor in taking up these challenges includes the human resources (Admin. staff, Doctors, Nurses and other supportive staff.) Working in health-care sector. The way employees are being managed, motivated and rewarded and the way in which they develop themselves can make the difference between a well performing organization and poor performing organization. Therefore, human Resource Management is a key management function in every health-care industry.

The objective of this study is to investigate the impact of HR practices such as (Compensation & Benefits, Performance appraisal, Training programs, employee involvement, and flexi working hours) on job satisfaction in respect of five large private hospitals in Satara district. A structured questionnaire was developed based on the five point Likert scale and distributed to 108 hospital employees comprising Doctors, Nurses and Administrative staff through personal visits by using convenient sampling technique. All employees responded properly. Statistical tools like analysis of variance, ANOVA in SPSS was used to assess the impact of HR practices on job satisfaction.

The study reveals that there is significant impact of HR practices on employee job satisfaction in Health-Care industry but that impact is not found to be positive as per satisfaction level of employees. Hospital employees are dissatisfied with the existing HR Practices and improvements in these practices is recommended.

Key words: *Compensation & Benefits, performance appraisal, training programs, employee involvement, flexi working hours, HR practices, job satisfaction, private hospitals, Anova, Analysis of variance, Satara district.*

2. Intorduction.

Human Resource Management helps in creating better rapport between the management and the subordinates.It helps subordinates to realize individual and organizational goals. Human Resource Management is the backbone of every type of

organization. The triumph of every organization depends upon the worth of persons it employs. Human Resource Management helps in spotting the exact individual for the precise job, suitability for the job and quality of work go hand in hand in determining the quality of any work force.

The hospital sector and more broadly the health-care sector is increasingly under pressure to operate more efficiently and has to respond to the challenges of increased market orientation, changed legislation and providing driven care. The most crucial factor in taking up these challenges involves the human resources (Doctors, Nurses, Administrative staff) Working in health-care sector. The way people are being managed, motivated and rewarded and the way in which they develop themselves can make the difference between a well performing organization and poor performing organization. Therefore, human Resource Management is a key management task in health-care industry and other service sectors, where diets experience that what employees experience or as Kabana, Orchard,Howard, Soriano and Leduc(2006) argued that "Since all health-care is ultimately delivered by people. Effective HRM will play a vital role in the success of health-care sector reform".Although policy makers in health-care increasingly recognize that a well-motivated, appropriate skilled and deployed workforce is crucial for the success of health system delivery.

Hospital management have difficulties in meeting the needs of their patients if their own needs are not met therefore hospital managers have responsibilities for both staff and patients. Job satisfaction in health-care organizations is related to many factors like optimal work arrangement ,the possibility of actively participate in the decision making process ,effective communication among staff members and supervisors and to be able to express freely ones opinion, collective problem solving and attitude of management are important for employee satisfaction. Hence the study is undertaken to find out the impact of HRM practices on employee job satisfaction in health-care industry in Satara District.The compensation& Benefits, performance appraisal, Training programs, employee involvement, flexi working hours, has considered as HRM practices.

3. importance of employee satisfaction in health care Industry.

Healthcare employees are facing the problems in fulfilling the needs of their patients as employees own needs are not satisfied; hence, health care authorities have responsibilities for both patients and their own staff. The job satisfaction in health care industry is related to various aspects, such as best salary and other benefits, frequent training programs, impartial performance appraisal policy, involvement in managerial decision making and flexible working hours. Also good relation between management and employees, team work, Management attitude results in employee

satisfaction. If the above facilities are provided to employees result in high level of job satisfaction.

4. DEFINATION OF HRM PRACTICES AND JOB SATISFACTION.

Human resource practices: is a management task that helps managers for Planning, Recruiting, Training and Development, Salary and other benefits and retain the employees for the organization.(k.Aswathappa).

Job satisfaction defined as employee's positive and negative feeling regarding their work. It can be known from the attitude of the employees towards his work. Job satisfaction is depends on motivational level of employees.

5. Objectives of the Study.

(i) To understand the Human Resource Practices those are followed in selected private hospitals.

(ii) To examine the relationship between Human Resource Practices and employees job satisfaction in selected private hospitals.

(iii) To analyze the most effective practices that influence on employee's job satisfaction in selected Private hospitals.

(iv) To suggest measures for improving HR Practices for employee's job satisfaction that may adopted by selected private hospitals.

6. Literature Review.

- **Kabane and Orchard (2006)** A study entitled "the importance of human resource management in healthcare: a global context' 'the aim of this study is to show the healthcare system in global context and importance of HRM to improve health outcome of patients in healthcare delivery. Study adopted secondary data sources for data collection. Study suggested that proper management of human resources is critical in providing quality of healthcare. A refocus on human resource management in healthcare and more research are needed to develop new policies.
- **Rahim Baghaei (2007)** done a study entitled "A Comparative Study of Human Resource Management Practices in Private and Public Hospitals of Iran with Special Reference to Job Satisfaction of Nurses''; the aim of this study was to identify the HRM practices, which affect job satisfaction and compare the level of job satisfaction of nurses in private and public hospitals in Tehran, Iran. For the study, a questionnaire was developed with 148 questions in 3 parts regarding to HRM facets, demographic data, and seven critical elements of job satisfaction for deeper investigation. The study was based on a sample 400 nurses, from 10 private and public medium size general hospitals in Tehran, which was chosen

randomly. The results showed that HRM practices in the all facets directly affected on the job satisfaction of nurses. The Pearson chi-square test was used for data analysis. Analysis found that HRM practices in public hospitals were better than private hospitals, the total job satisfaction and overall job satisfaction of nurses was the same in both public and private hospitals. Among the various components of job satisfaction, nurses of this study were most dissatisfied with their pay (79%). It was followed by promotion (57.3%), autonomy (47.8%), supervision (42%), and dissatisfaction with nature of work (28.3%), the total job satisfaction was very low in both hospitals, for instance 42% of nurses were dissatisfied, and 7% were satisfied. The study recommended that nurse managers and hospital administrators for planning and implementing effective health policies that will meet the needs of their staff and entities.

- **Aleemet el (2012)** with their study entitled "An empirical investigation of human resource practices: A study of autonomous medical institution employees in Punjab, Pakistan". The aim of the study was to examine relationship between HR practices and perceived employees performance in the health sector of Pakistan. The HR practices discussed in this study are compensation, performance appraisal, employee relation, job security, promotion, employee participation, and Pension fund. In this study data was collected through questionnaires from 220 employees of the institutions/hospitals. This study has a great importance for the decision makers in the health sector of Pakistan. The result showed that Performance of health sector employees is affected by compensation, employee relations, job security, promotion and pension. However, the employee participation and performance appraisal have no significant impact on the employee performance.
- **Saif and Sartavi (2013)** conducted study on "Relationship between Human Resource management practices and perceived performance of employees in Jordanian hospitals". The goal of this study is to quantify the effects of HRM practices on employee performance in a 5 hospitals of Jordan. The study design adopted was descriptive and analytical. Random sampling technique was used in this study. The study population included all healthcare providers in five central Jordanian public hospitals. A structured questionnaire was used to collect data from respondents; the Likert scale of 1 to 5 was used. The questionnaire was administered to 420 employees. A total of362 questionnaire was returned, giving an 86% response rate. The findings suggested that HRM practices are related to hospital performance, That Jordanian Hospitals do not have effective HRM practices, and that compensation has the greatest impact on increasing an employee's level of performance.

- **Dr. C. Dan Lakshmi (2014).**A study entitled "A study On E-HRM practices in kovai medical Centre and hospital, Coimbatore" The study aim is to test the current e-HRM practices of hospital and to find the further areas to include in e-HRM practices. Electronic human resource management system as web based solution that takes advantages of the latest web application technology to deliver online real time solution. For collection of data questionnaire was used and in total 2000 population, 150 samples were chosen. Convenience sampling technique was used to study. Weighted average mean, correlation and chi-square test were used in the present study for analysis. Study suggested that e-HRM technology has been modified and updated to make all the work efficient and effective result.

7. Research Methodology:-

A descriptive research design was used for the study. Convenient sampling method was administered to select the respondent. The sample size of 108 was selected. The study was conducted on the basis of both primary and secondary data from fivelarge private hospitals in Satara District namely Meenakshimultispecialty hospital, Geetanjalimultispecialtyhospital, SGM multispecialty hospital, Sanjeevansuperspeciality hospital and Shree kamakshimultispecialty hospital. Primary data were based on a face to face interview and collected through structured questionnaire which was administered personally to the 108 hospital employees. All respondents were answered properly. The questionnaire consists of questions from the five aspects of HRM practices i.e. Compensation,performance appraisal, training program, employeeinvolvement, and flexi working hours. The design of questionnairewasbasedonfivepointLikert Scalei.e.1=stronglydisagreed,2=Disagreed, 3=Neutral, 4=Agreed, 5=strongly agreed. The secondary sources was books, published research articles and web sites. In this study statistical tool like ANOVA-test,analysis of variancewere used to analyze the employee'ssatisfaction.

8. Hypothesis.

The following Hypothesis were used for the study.

Ho: There is no significant impact of current HR Practices on employee satisfaction in health-care industry.

Ha: There is significant impact of current HR Practices on employee satisfaction in health-care industry.

9. HYPOTHESIS TESTING.

Ho: There is no significant impact of current HR Practices on employee satisfaction in health-care industry.

Ha: There is significant impact of current HR Practices on employee satisfaction in health-care industry.

Summary Statistics

Groups	Count	Sum	Average	Variance
Satisfaction regarding the compensation and benefit package offered by the organization.	108	235	2.17	1.32
Satisfaction regarding the performance appraisal system followed by organization.	108	274	2.53	1.80
Satisfaction regarding timely training help in better performance	108	326	3.01	1.45
Satisfaction regarding the present system of employee participation in managerial decisions.	108	270	2.5	1.05
Satisfaction regarding flexi hours working program currently offered	108	339	3.13	1.52

ANOVA showing the impact of current HR practices on employee satisfaction.

Source of Variation	*S.S.*	*d.f.*	*MS*	*F*	*P-value*	*F-critical*
Between Groups	68.24	4	17.06	**11.91**	**2.81E-09**	**2.388596**
Within Groups	766.38	535	1.43			
Total	834.63	539				

There is no significant impact of current HR practices on employee satisfaction in health-care industry. This hypothesis was put to test, using analysis of variance. This was based on impact of current HR practices on the employee satisfaction. The results obtained from the test are summarized in above two tables. ANOVA table also show that there is a significant impact of current HR practices on employee satisfaction in health-care industry (F = 11.91 critical value = 2.38). Hence, the null hypothesis is rejected and alternate hypothesis is accepted.

Summary table reveals the effect of current HR practices on employee satisfaction. Summary statistics shows that all the averages of the scaled data revolve around 2 and 3 which indicate that most of the employees are either neutral or disagree and corresponding variances signifies this. But if we observe the percentage of employee who are neutral to this is very minimal equals to 23% whereas in all 52% of the

employees are either disagreeing or strongly disagreepositive effect of the HR practices in health-care industry.

10. CONCLUSION.

From the above analysis it is concluded that there is significant impact of HR practices on employee satisfaction in health-care industry but that impact is not found to be positive as per satisfaction level of employees is considered. Employees are not satisfied with the current HR practices in health-care industry and a radical change in these practices is recommended.

11. SUGGESTIONS.

(i) The private hospitals may provide attractive remuneration packages to attract, retain and motivate competent people.

(ii) The private hospitals may provide frequent training programs for their staff for improving job knowledge and skills at all levels of the organization.

(iii) The private hospitals may evolve effective policy for associating employees at every level in decision making process for better performance and high motivation.

(iv) The private hospitals may introduce effective appraisal system to effect promotions, assess training needs and decisions about rise in pay.

(v) The private hospitals may introduce system of flexi hours of working for greater employee productivity, higher organization profitability and to promote, facilitate work life balance.

12. LIMITATIONS.

Small sample size was one of the major limitation of the present study. The study did not cover all the HR practices of the surveyed health-care industries.

13. SCOPE FOR FUTURE STUDY.

Since the total number of respondents in the selected geographical area was limited hence further study can be conducted in some more areas for better results.

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EVOLUTION OF TRAINING METHODS OVER THE COURSE OF TIME IN SERVICE SECTOR

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ABSTRACT :

Training is defined as the organized procedure by which people learn knowledge or skill for a definite purpose. It is merely concerned with development of particular skill by instructions and practice. Training plays an essential role in the sectors of the economy of a nation, especially in the service sector. Service sector is the third-tier sector which is involved in facilitating the final product to the consumers to satisfy their needs. Training is the key entity affecting not only the performance of trainee but also their level of commitment and engagement towards an organization. It increases the efficiency and effectiveness of both the firm and the employees. Due to the integration of technology the pedagogy in training in the service sector showed a significant change from the traditional approach which was apprenticeship, inductions and group-building methods to the modern approach consisting of computer-based or e-learning, workshops, management games and Vestibule. The change in trends in the training methods enhanced the effectiveness by providing flexibility, reach, platform of delivery and is cost-effective.

Keywords- *Technology, training, service sector, modern and traditional.*

1. INTRODUCTION

1.1 IMPORTANCE OF TRAINING

Training is important in all three service sectors. The training is inclusive of various methods orientation, in-service training and continuing education.it varies from organization to organization, trainee or their jobs. Training help to maintain update and upgrade one skill throughout the one's employment. The training is a performance oriented rather than study oriented. The effective training involves to impart knowledge in depth and order rather than to simply present the information. (Redekopp, A.B. and Woloschuk, B.Z., 1974). Employee training grows the strategic

development of the enterprise and help the company further in the future to achieve goals. Training helps to retain the employees in the organization. The employees retaining in the organization is affected by the type of training received, the sector as well as past participation in the program. It is important to have a better understanding between the designing of the training programme and effectives of the training programme. The main purpose of training is to enhance the performance. trainers should always keep the track of actual performance with expected performance and explain the consequences. (Narang, R. and Mahmood, A., 2011). Training can be extremely impactful for the organization but only if it is implemented and properly followed. It can help to expand the scope of improving the existing skills of the employees as well as provide the opportunity to inculcate new skills to increase the effectiveness and efficiency of the employees. Training also support employee retention as the employees have the resources to improve their skills which further helps employee to achieve its self-actualization needs. Training should be continuing process, which should be refreshed enhanced and improved regularly so it brings a continuous and long-term growth in the organization. (Denby, S., 2010).

1.2 SERVICE SECTOR IN INDIA

India has been the second fastest growing economy in the world and this growth is led by the service sector. The share of service sector in gross domestic product has changed drastically representing the share of services developed economy. The growing gross domestic product of India in the service sector points out the importance of the sector to the economy (Eichengreen, B. and Gupta, P., 2011). The services sector in India accounted for about 30 percent of total GDP of India in 1950s; its share in GDP increased to 38 per cent in the 1980s, then it increased to 43 per cent in the 1990s and finally it reached 56.5 per cent in 2012-13 (GOI 2013).

Therefore, the services sector in India at present accounts for more than half of India's GDP. The dominance of the tertiary or services sector of the economy has been accompanied by a decline in the share of the primary sector that is agriculture and a more or less unchanged share of the secondary (industry) sector over the years. Despite services sector's growing share in the total GDP, economists and scholars have noted a serious mismatch between the share of services in total GDP and the corresponding share of services in total employment in India. For example, when the share of the services sector in GDP increased from 34 percent in 1970s to 54 percent in 2010-11, the comparable share of services sector employment in total employment changed from 15 percent in 1972-73 to only about 26.67 percent in 2009-10. As a result, a large proportion of workers remain in rural agriculture. Service sector employment is linked with informal sector not only due to the comparatively large

proportion on insecured jobs, but also due to the fact that a large number of domestic workers are accounted for as services sector workers (Jonakin, J., 2006).

1.3 TRAINING IN SERVICE SECTOR IN INDIA

Training is one of the most vital factors in the service sector because this process increases the efficiency and effectiveness of both the trainees and the organization (Khan, R.A.G., Khan, F.A. and Khan, M.A., 2011).As organizations strive to compete in the global economy, organizations focus more providing best services against their competitors as they have to strive in the industry, so as to survive they believe that it is necessary for the organization to have an efficient and effective skilled employee as they contribute towards organization's progress. Generally training proves to be beneficial for the individual, organization, team and society and it begins from individual development which consequently leads to the economic prosperity of the country. (Aguinis, H. and Kraiger, K., 2009)

1.3.1 Training in banking sector With the increase in competitiveness in the banking sector, all banks try to advance themselves, outshine their services from the other banks and for doing so training is an essential requirement. Also, as we live in a rapidly changing society, it becomes a priority of the HRM to curb the damage on the human capital but properly equipping them to cope with the changes and optimum utilization of human capital. (Karthikeyan, K., Karthi, R. and Graf, D.S., 2010)

Most of the prominent banks gave training lot of importance as they believed that it is essential to compete and cope with the competitors. (Ferdous, T. and Razzak, B.M., 2012)

1.3.2 Training in hospitality In today's time, the hospitality business is concerned with providing best services, and believe that quality employees provide the best services. training plays a key role in the implementation of HRM practices and policies. Successful hotels always include staff training as their important development strategy which leads to their successful business life in this industry. (Nickson, D. 2007)

1.3.3 Training in tourism The process of training in tourism sector being with the needs assessment which results from the difference between an ideal expect for employee's performance and the actual performance. It also helps employees to get familiar with the job environment. Human Resource Development is made possible by the training programmers organized by various training institutions time to time and according to the changing needs of job performance in any sector.

1.4 OBJECTIVES OF STUDY

1.4.1 To study commonly followed training methods

1.4.2 To understand the changes that have evolved over a period of time

2. LITERATURE REVIEW

2.1 TRAINING PROCESS IN SERVICE SECTOR

2.1.1 TRAINING ANALYSIS

The training analysis is generally accepted as the cornerstone of effective training. The process of measuring and fixing the gap between the standard competence required for the job and the existing competence in the job can be called as Training Analysis. Training Effectiveness mainly depends on the expertise and knowledge of the trainer. Effective training programs must be preceded by a training need assessment. Assessment of training needs helps to find the gap in various jobs and help to inculcate new training skills in the organization so, the goals of the organization is achieved. So, the training need analysis is an essential requirement to design the effective training. The purpose of training analysis is to determine whether there is a gap between what is required for effective performance and what is the present level of performance. It is conducted to determine the resource requirements, to plan the budget and area where training is required as well as to highlight the situation where training might not be appropriated. With the assistance of training engineers and the support of al HODs, training needs of employees are identified each year. The identified needs are then compiled to form the training programs. (Kairys, D., 1964).

2.1.2 TRAINING METHODOLOGY

(1) **Build up the term-based capabilities to be assessed and prepared**-The process of traininginstructs to assess the need of the trainees.

(2) **Making situation carefully**- Knowing about teamwork does not mean one will behave as a team member.

(3) **Measuring performance**-. Measurement creates an opportunity for learning works when measurement problems (e.g., observation protocols, behavioral markers) are designed to measure team performance as well as it helps to bring improvisations.

(4) **Feedback**- Feedback is, of course, essential in the team learning process. Feedback informs the team about how they are performing and identifies strengths and weaknesses. A facilitator (typically the trainer) should use a diagnostic scenario-based tool to direct debriefings; however, all team members

should actively participate and contribute to the identification of learning opportunities and suggestions for remediation.

(Shapiro, M.J., Gardner, R., Godwin, S.A., Jay, G.D., Lindquist, D.G., Salisbury, M.L. and Salas, E., 2008.).

2.1.3 TRAINING EVALUATION

The evaluation of any training programme have certain objectives and aims. evaluation of training must inform us that weather the set objectives is achieved. Evaluation of training refers to collecting data and information to measure weather the set objectives or not. The 4 taps of learning reaction, learning, behavior and results. Organizations can no longer provide training which don't contribute in the organizational goals. Efficiency is the heart of the training as it helps the employees to acquire training to work efficiently. employee training is becoming an important of the organization as it helps to increase efficiency, provide necessary skills and employee retention in the organization. Training evaluation is a critical component of analyzing designing developing and implementing an effective training program. Evaluation of training helps to know where the training needs improvement and also provides the ways to improve it. (Farjad, S., 2012).

2.2 TRADITIONAL TRAINING METHODS

Traditional method also known as didactic lecture in which trainees teaches the employees and the helps the trainee facilitates growth and guiding the trainer to achieve to generate the knowledge. (Vitorino, R.W., Fornaziero, C.C., Fernandes, E.V., VITORINO, R., FORNAZIERO, C. and FERNANDES, E., 2020)

TYPES OF TRADITIONAL METHOD.

2.2.1 On the job training

Under on the job training refers to provide training at the workplace. Employees get hand on experience using equipment tools materials etc.

2.2.2 Lecture

Lecture and conferences are one of the traditional methods of training including direct instructions generally every training starts lecture. It is verbal presentation for a huge audience. These lectures are motivating and creates interest among trainees. The speaker must have proper and in-depth knowledge about the subject. (Bhatia, S.,2017)

2.2.3 Apprenticeship

Apprenticeship refers to training program in which more experienced assists less experienced person through examples. Under this method the less experienced

person observes the trainer and tries to replicate the work. The elements of apprenticeship are-

1. Modeling- It refers to guiding the employs how to do something and to know their thinking process
2. Reflection- It refers to know what the trainee have learns.
3. Articulation – It refers to give the report of the training program. (Dennen, V.P. and Burner, K.J., 2008).

2.2.4 Coaching and mentoring

leaders may also need to serve as mentors to create a positive environment and promote positive work attitude and help them to achieve organizational goals as well as personal goals (Popper, M. and Lipshitz, R., 1992). The coach or mentor is a developer not only an instructor. They support the employees to upgrade the existing skills, learn and inculcate new skills, awareness and knowledge. The mentor or coach review the training. After, the training is completed the coach and mentor tries to figure out whether the training provided was worth to the employees or not by giving employees different tasks and assigning them more challenging duties. (Connor, M. and Pokora, J., 2012).

2.2.5 Self-directed training

self-directed learning makes the trainee freer, mature and authentic.it is also the learning where the employees can form their own strategies, formulating goals and learning objectives, choosing resources and evaluation techniques. Self-directed learning is also referred to as a line long training as it is a prerequisite of learning. Therefore, the self-directed learning is also known as the beginning and ending of the learning process. (Loyens, S.M., Magda, J. and Rikers, R.M., 2008).

2.3 MODERN METHODS OF TRAINING IN THE SERVICE SECTOR

2.3.1 Technology-based learning→The technology-based or online method of training is one of the most used modern method of training which incorporates the technology that supports activities beyond human interaction on a single computer.It is also suitable for distant training programs connecting through WAN. (Bansal, H., 2009)

2.3.2 Vestibule training→under the vestibule training creates a diminutive model for which the training program is to be conducted. It utilizes the similar machinery to that of the real one.in this the new trainee is provided with the training skills under the diminutive model so he gets the habit using new machinery and join the regular employee. This training helps the trainee and the organization in many ways as it reduces the nervousness among the new employee as and also give him confidence to use the new machinery. Also, it

reduces the number of accidents occurred in the organization. (Sleight, D.A., 1993)

2.3.3Management games→Management games are used as an effective training programme in the organization. Management games are widely used now days in various companies and organization as it deals with increasing motivation interest change in attitude upgrading the existing skills evaluation by own or getting evaluated by others. Management games provide various advantages to the organization as management games are cheaper than the other training methods. Management games helps to teach the trainee different problem faced by the business world. The trainee also gets benefits from the training program as they develop more analytical skills and can take decisions in better way. Also, they are ready to deal with unexpected real-life problems. Games provides them the opportunity to deal with a number of different variables at a time. (Gilgeous, V. and D'Cruz, M., 1996).

2.3.4Virtual reality training - The term "virtual reality" has become more commonly used in the last few years, especially in the computer simulation area.(Wagner, R.J. and Campbell, J., 1994).Virtual training providesopportunities in the changing world. It also provides real life interaction in the form of the presentations based on the problems of corporate world on screen. (Kandalaft, M.R., Didehbani, N., Krawczyk, D.C., Allen, T.T. and Chapman, S.B., 2013).The introduction of the virtual reality training with the other training methods helped to improve the training. (Aggarwal, R., Ward, J., Balasundaram, I., Sains, P., Athanasiou, T. and Darzi, A., 2007)

2.3.5 Case Studies Case study-one of the main purposes of case study is to apply what the trainee knows, to evolve newideas to manage or deal with new problem. Case studies is effectively used in inculcating new managingskills among the employee (Rees, W.D. and Porter, C., 2002). Case study provides an edge to the organization as it provides comprehensive picture of the series or thephenomena. They are also useful as they encapsulate the emerging and inherited life in the organization.These case study helps to know the organization culture. (Barbazette, J., 2004).

3. RESEARCH METHODOLOGY

The researchers have gathered secondary data from research artciles published in google scholar, J Stor and Ebsco host. The researchers have also gathered data from company websites, annual and published reports.

4. RESULTS AND DISCUSSIONS

India has noticed a sizeable jump in training methods in service sector over course of time due to intervention of technology. But still e-learning has not completely

booted our traditional methods as people are more familiar withtraditional and one-on-one method for training and developing themselvesand e-learning can be a drastic change for them, but e-learning is extensible and training can be given to a large no. of crowd and employees at the same time and now is proving to an effective method as people are getting used to it.

Also, the corporate world is having a shift from traditional methods to modern training methods as it also saves a lot of money and helps them train and develop their employees at a faster pacefor the future needs but still traditional training gives hand on experience but has proved to be monotonous. Also, traditional training methods cannot be [personalized according to one's need as modern training method. So, the evolution of training methods due to intervention of technology has proved to be a benefit to service sector in India. Following bar-chart also proves the same.

5. Challenges faced during study

Since the study is based on secondary information is was not easy to find a course reliability and information specifically related to this topic. Also, while connecting the main points to research statements.

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"WORKFORCE DIVERSITY: A KEY TO IMPROVE PRODUCTIVITY"

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ABSTRACT :

Workforce diversity means similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, gender. People are different in not only gender, culture, race, social and psychological characteristics but also in their perspectives and prejudices. Society had discriminated on these aspects for centuries. Diversity makes the work force varied. In current scenario, employing diversified workforce is a requirement for every organization but to manage such diversified workforce is also a big challenge for management. This paper critically analyses the workforce diversity and its impact on productivity of an organization. The researcher after examining the literature and various research papers concluded that workforce diversity is strength for any organization but people still stick to their views related to caste, religion etc and so consider diversity as a problem but if managed properly, can increase the productivity. The research will be based on Secondary database.

Keywords: *Diversity, Workforce, Gender Equality*

Introduction:

Introduction:

Workforce diversity has become a very important issue in today's organizations, as they're changing into progressively various with reference to their men. Diversity exists in a corporation once its members take issue from each other on one or additional necessary dimensions. If everybody within the organization is precisely like everybody else, no diversity exists. However most are completely different on each thinkable dimension, total diversity exists. In reality, of course, these extremes are additional theoretic than real; most settings are characterized by level of diversity somewhere between. Thus, diversity isn't associate absolute development whereby a organization is or isn't various. once the organizations use human resource having completely different age, gender, perception, attitude, caste, religion, region then it'll be terribly men Diversity Age Gender skilled qualification countries Language Caste and faith completely different perception and perspective tough for the management likewise as for the workers to manage and alter therewith atmosphere. To manage wide-ranging men could be a huge challenge for any organization. Therefore,

diversity ought to be thought of in terms of degree or level of diversity on relevant. In business terms, diversity may be outlined as a collection of variations of individual traits as well as socio demographic variables and skilled variables, which might be found in associate organization's numerous levels. Core dimensions of diversity embrace age, quality and culture, gender, race, religion, sexual orientation, and capabilities. Secondary dimensions embrace education, status, language, financial gain levels, etc. every individual is completely different from one another thanks to their different faith, instructional background to that they belong, age and therefore the perception. Once differing types of individuals in terms of thinking, perception, generation move to figure at a similar place then undoubtedly a state of affairs might come back wherever of these differing types of individuals might not agree at a similar purpose. At that time, of your time it's planning to have an effect on the social relationship among folks. The investigator has taken some aspects, which are an area of diversity among men they're age, gender, caste, experience, skilled qualification and therefore the workers coming back from numerous countries.

Literature Review:

Cox (1993), in his elaborated work on diversity in organizations explains the importance of managing diversity in workplace. According to him, diversity itself does not automatically have positive effects. It must rather be managed effectively to improve organizational effectiveness. Cox defines the goals of diversity management and discusses the importance of managing diversity in the organizations. He identifies the importance of planning and implementing organizational systems and practices to manage people so that the potential advantages of diversity are maximized while the potential disadvantages are minimized. He uses the term "diversity climate" to define collectively the influence of individual, group and organizational factors that supports diversity in an organization.

(Jeffery Sanchez-Burks and Michal E. Mor Barak, 2005) the researcher has discussed one's perceptions, values, and behavior in such situations reflect deep-seated beliefs about the nature of interpersonal work relationships. He further emphasized that to understand and manage these differences requires understanding the nature of workforce diversity and how it influences relational and communication styles.

(Sharbari Saha, Dewpha Mukherjee Patra, 2008) in this the authors have focused over the requirements due to globalized market and benefits of workforce diversity further they said that if the organization is not employing the diversified workforce then that organization is not competitive enough and the sales managers can make their diversified workforce effective and competent by providing them training.

(Kulin Patel and Anuradha Sriram, Oct 2010) in this article the author explore the role of managing diversified workforce in the case of mergers and acquisitions. The author said that the merger and acquisitions among the organization is just like a marriage which means that the compatibility among the employees of both the organizations having different cultures is most important for this the culture assessment of both the organizations is necessary

Objective of Study:

- To investigate the link between acceptance of gender diversity among workers, diversity practices and programs adopted by the organizations and obstacles to gender diversity.
- The study focuses on many diversity programs and practices, that normally adopted in supplying business and examine the influence of those initiatives on the acceptance of gender diversity in business.
- The study also identifies the obstacles present in Logistics Industry scenario and examines the influence of these obstacles on the overall acceptance of employees towards gender diversity.

Statement of the problem

- Diversified manpower is that the latest and current trend in each organization these days.
- Moreover, the key involved for each organization is to enhance its productivity as a result of organizations ar economic activity and might solely survive by competitory during this cutthroat competitive world by increasing their profits.
- As if the diversified manpower might expertise less cooperation from a number of their colleagues however to attain the structure goals every member should be effective in terms of its functioning within the explicit department. However, firing isn't the answer.
- The main consent of this analysis is to look at critically the impact of manpower diversity on the productivity of the organization from previous researches.

Research Methodology

- This research was based on secondary data of the analyzed.
- The methodology performed by descriptive and quantitative analysis.
- The analysis relied heavily on studies and articles regarding diversity.
- The author used articles that answered the question of impact of diversity and private experiences over the years of operating in numerous organizations
- This paper will cover the impacts of workplace diversity.

- • The paper will discuss the benefits of workplace diversity, followed by the challenges that employers face with diversity, and ultimately the solutions that were developed through analyzing the benefits and challenges.

Data Analysis

- The paper will discuss and analyze the impacts of a diverse workplace and the benefits, challenges, and solutions to a better work environment.
- Secondary data has been collected by company websites, journals related to Information, websites related to companies, and published interviews with top leaders of the industry.

Workplace Diversity Challenges

- Colleagues from some cultures may be less likely to let their voices be heard
- However, the presence of numerous brain power alone isn't enough. It's also critical to create an open and inclusive workplace environment, so all team members feel empowered to contribute.
- This may be significantly difficult for colleagues from polite or regardful cultures.
- For instance, professionals from Asian countries such as Vietnam or Japan may feel less comfortable speaking up or sharing ideas, particularly if they are new to the team or in a more junior role.
- Integration across multicultural teams can be difficult in the face of prejudice or negative cultural stereotypes
- This may be a challenge to beat, significantly if there ar underlying prejudices between cultures, creating them less inclined to figure along.
- For instance, the centuries-long antipathy between the British and French, or the Polish and Germans can sometimes creep into the workplace.
- Professional communication can be misinterpreted or difficult to understand across languages and cultures
- Navigating visa requirements, employment laws, and the cost of accommodating workplace requirements can be difficult
- Despite the clear benefits, hiring talent from overseas can present an HR challenge.
- Not least among this is the complicated process of navigating employment laws and visa requirements for international workers.
- Requirements and regulations are different in each country and between countries, and can change frequently.

Different understandings of professional etiquette

- Colleagues from different cultures can also bring with them different workplace attitudes, values, behaviors, and etiquette. While these can be enriching and even beneficial in a diverse professional environment, they can also cause misunderstandings or ill feelings between team members.
- For instance, the expectation of formality (or relative informality), organizational hierarchy, and even working hours can conflict across cultures.
- Where a Japanese colleague may not feel it appropriate to leave work before their manager (or, indeed, anyone else), a Swedish professional may be used to a 6-hour working day.
- Additionally, different approaches to punctuality, confrontation, or dealing with conflict can prove an issue.

Conflicting working styles across teams

Benefits & Solution:

Increased ability

- Organizations using a various work force will offer a larger kind of solutions to issues in commission, sourcing, and allocation of resources.
- Employees from various backgrounds bring individual skills and experiences in suggesting ideas that area unit versatile in adapting to unsteady markets and client demands.

Broader service vary

- A various assortment of skills and experiences (e.g. languages, cultural understanding) permits a corporation to produce service to customers on a world basis.

Variety of viewpoints.

- The organization will draw from that pool to satisfy business strategy wants and therefore the wants of consumers additional effectively.

More effective execution

- Companies that encourage diversity in the workplace inspire all of their employees to perform to their highest ability.
- Company-wide ways will then area unit executed; leading to higher productivity, profit, and come back on investment.
- Ward off change resistance with inclusion – Involve every employee possible in formulating and executing diversity initiatives in your workplace.

- Foster an attitude of openness in your organization – Encourage employees to express their ideas and opinions and attribute a sense of equal value to all.

Promote diversity in leadership positions.

- As the economy becomes increasingly global, our workforce becomes increasingly diverse.
- Organizational success and competitiveness will depend on the ability to manage diversity in the workplace effectively.
- Evaluate your organization's diversity policies and plan for the future, starting today.

Conclusion:

- Workplace diversity is very important in every business. It is essential that management in any business focus and prioritize diverse hiring due to the many benefits that diversity brings. Although there are some minor setbacks, the impact of diversity in every organization is more beneficial.
- Diversity will soon be a fixture in the future work environment, the globalization of business is fast approaching and the need to create a work environment that will foster a diverse workforce is pressing on the heels of businesses everywhere.
- It will be futile to fight it and remain stuck in the traditional form of management, because there is no such thing as a one size fits all management plan for all businesses.
- Each of the different companies will have to create a diversity management plan that will fit them and their unique needs.
- The advantages of having a diverse workplace are great and are very beneficial to any company. Although it will be more of a challenge at first, businesses will soon learn that they have done the right thing in choosing a diverse work force.
- Creating a strong diversity plan should be the first thing any business should do prior to embarking on anything related with a diverse workforce and workplace.

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COMPETENCY MAPPING – A HRM TOOL FOR EFFECTIVE ORGANIZATION MANAGEMENT

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ABSTRACT :

Human Resource is considered as intellectual property of an organization. The perception of the management towards HR is undergoing a major transformation in today's organizations. To achieve competitive advantage, Human Resource (HR) management professionals are expected to be aware of innovative approaches to manage the talent of the organization by implementing best competency based HR Practices. Generally,organizations maintains assessment centers to assess the human resources and to train the skillset of the human resources. Competencies focus on the characteristics of people who are successful or unsuccessful in accomplishing their task.The key characteristics and traits of top performers are identified and fit into core competency profile to transform workforce to successful workforce. The workforce has the potential, they need to be nurtured by providing healthy environment and right opportunities as per their competency. Effectively mapped competencies translate the strategic vision and goal of the organization into behavioral actions that employees present. This paper focus on competency mapping process,tools to assess competency followed by conclusion.

Key words: *Competency, Competency Mapping.*

1. Introduction

Organization that aims to improve performance of its employees in terms of productivity, and quality, should focus upon enhancement of competencies of its employees.Practices like Strategy formulation and opportunity surveillance will not yield much unless the company has the internal abilities to take right decision to improve the competence of the employees. Competency mapping is a process and a system for identifying key competencies for a particular position and then using it for sustainable growth.This can help in improving organizational effectiveness.In this competitive world, every organisation, manufacturing unit or service sector, wish to have a competitive edge over others and this can only be achieved by

improving the efficiency of the employees. All the methods and approaches for improving the performance and efficiency of their operations, points to a basic key factor – "Skill and Competency"[1]. It becomes mandatory for any production company, aiming at improving their performance, to map the skills of the employees with the skill required for the task.

Organisations are now coming up with assessment centers to analyse the skills possessed by their employees. It is a comprehensive way of knowing the skill levels of the persons. Skill mapping evolves a result, which not only specifies the skill level of the persons but also identifies the Gray areas where improvement can be made by training or by other means. Skill mapping, thus, is fast becoming important, buzzword for any industry aiming at revamping themselves to the present competitive situation. It is becoming popular day by day and many companies are showing keen interest in using this technique to improve their efficiency. The competence approach focuses on linking business strategies to individual performance efforts. It also encourages employees to develop competencies which can be used in diverse work situations rather than being boxed into the job. Development of employees focuses on enhancing their competencies rather than preparing them for moving to jobs. In this way they can develop capabilities useful throughout the organization as it changes andevolves.

Skill and Competency both represent an ability that an individual has acquired through training and experience. But skill and competency differ in its scope. Competencies define the requirements for success on the job in broader, more inclusive terms than skills do.Think of skills as one of three facets that make up a competency: the other two are knowledge and abilities [2]. To succeed on the job, employees need to demonstrate the right mix of skills, knowledge and on-the-job ability. A well-defined, multilevel competency defines each of these elements in terms that allow managers and HR professionals to observe and recognize them through qualifying materials such as resumes, tests, and interviews, and through on-the-job performance in the workplace.

Fig 1Components of competency (Source: http://iaocr.com)

Competency is a set of knowledge, skills and attitudes required to perform a job effectively and efficiently [3]. A Competency describes how a job might be done excellently; a Competence only describes what has to be done, not how. Core

competency is something which cannot be copied and it is the pillar upon which individual rest.

Competence vs Competency

Competence can be defined as capability to carry out a defined function effectively. Competence is a work related concept that refers to areas of work at which the person is competent. Whereas, when it comes to competency, it is defined as knowledge, skills, experience and attributes necessary to carry out a defined function effectively.Competency is person related concept that refers to the dimensions of behavior lying behind competent performer.

Competency Mapping is a process of identifying key competencies for an organization, the jobs and functions within it [4]. Competency mapping is important and is an essential activity. Every well- managed firm should have well defined roles and list of competencies required to perform each role effectively. Competency mapping identifies an individual's strengths and weaknesses in order to help them better understand themselves and to show them where career development efforts need to bedirected. Competency mapping is not only done for confirmed employees of an organization and it can also done for contract workers or for those seeking employment to emphasize the specific skills which would make them valuable to a potential employer. These kinds of skills can be determined, when one is ready to dothe work. The following section explains the competency mapping process

2. Mapping Process

It is very common practice to perform competency mapping for existing employees. However, competency mapping can be done for recruiting a new employees also. At the time of recruitment itself competency mapping is applied. In the case of new employee, He/she represented external candidate.

STEP-1: DATA COLLECTION

Data collection is one of the important aspect for efficient human resource selection. Based on the intent and scope, organizations can collect the data from internal employee database. Data collection strategy varies as per the candidate requirement. The required candidate can be internal or external. If not, now a days, there are many data centers available. Several online job portals (e.g. naukari.com, shine.com etc) are available. These portals facilitate easy access to human resource data. The data required for competency mapping can be collected using different methods and tools like on the job observation, critical incident technique, repertory grid, survey,job task analysis, etc., whereasthe current online portals are using computer based expert system, Artificial Intelligence techniques, expert panels etc.

It is difficult to suggest which method is more useful or more accurate. Some methods are easy to use but quality of the data may be inadequate, there are some more and other methods which yield superior quality data but expensive and time consuming. Certain methods and tools are such that they can't be sued in all cases. Some jobs may require the use of more than one method or tool for their mapping. Finally, decision making is important. It is up to the concerned management to choose the required candidate.

STEP-2: SCRUTINIZE THE CANDIDATE

Based on the data collection, the scrutiny process works on. It is a kind of further analysis process. The HR (personal) and area experts critically evaluate the candidate application and call for face-to-face interview (if suitable). If the candidate is already working within the same organization, then his/her current work performance is taken into consideration for the final selection.

STEP-3: FACE-TO-FACE INTERVIEW& MAPPING PARAMETERS

It is general practice to call the candidate before the final selection. The process of face-to-face interview varied from organization. Sometimes, the candidate required to give presentation and followed by interview. During the interview, many factors are considered. Important are: communication skills, emotion handling, ability to improve the business, and ethical issues.

STEP-4: FINAL HR INTERVIEW

Based on the recommendations of the selection committee (step3), the salary negotiations takes place. It is crucial step. Because, highly competent people wont's turn up if the salary is not par as per there expectations. Salary includes many measure like basic pay, transport allowencance, research allowance (applicable for education institutions and research kind of institutions), variable pay, education allowance, training allowance etc.

STEP-5: PREVIOUS COMPETENCY

This step concerned with the employee earlier organization performance measures. The following measures can be collected to assess the candidate competency:

a) What is the level of the employee worked for?

b) What was his/her performance indicators?

c) Overall salary growth?

d) Issues handled

e) Ethical issues

f) Revenue generated (applicable for only certain category of employees) etc.

The above stated (a) to (f) measures can be collected through some external agencies or third party agencies if not directly available.

As per the researcher opinion, if this process is followed strictly, the resultant of competency mapping will be realistic.

3. SIGNIFICANCE OF COMPETENCY

Competency-based performance management helps organizations in accomplishment of their vision, mission and objectives. This achievement is possible because competency management enhances worth of human capital by evolving distinct and inimitable human competencies. Enriched human capital optimizes other organizational resources and leverages the existing strengths for organizational growth. Though competency management is potent enough to create indelible, positive and contributory impact on all organizational activities, a few of the essential advantages are indicated below. Significant reasons and purposes for adopting competency approach to their performance management are:

1. Performance
2. Culturechange
3. Training anddevelopment
4. Recruitment andselection
5. Business objectives/Competitiveness
6. Career/Successionplanning
7. Skillsanalysis
8. Flexibility
9. Clarity of role
10. Integrating human resource strategy.

This clearly brings forth the linkage of competency to performance of employees as competency indicates 'what the employee can do or has the ability to do' and performance indicates 'what the employee does'. Performance is the stage where assignment of work and responsibilities in commensuration with the ability to deliver is made. Appropriate design of role and responsibility setsis the key to successful performance management system in the organizational context as individual act influences organizational performance. This refers to competency mapping, which is an important resource in competitive business environment. Competency mapping is a process of identifying key competencies for a particular position in an organization, and then using it for a host of HR applications, most

notably performance management besides recruitment and selection, training and development, career development, human resource planning, mentoring, etc.

Steps followed in this method are

- Identifying the position to bemapped,
- Identifying outstanding performers, and below average, or averageperformers,
- Interviewing them by usingquestionnaires,

Generating the list of competencies needed (from outstanding performers) and not needed (from below average or averageperformers),

A competence and competency-based approach to recruitment and selection of professionals and managers can help your organization make it an effective and successful investment of time, money and expertise.Such an approach will help ensure that:

- The organization is clear regarding the competencies and skill sets required by the job
- The selection processes encourage a good fit between individuals and their jobs
- Managers and staff have the required skills and competencies
- Individual competence and competencies are matched to the requirements of the position, the fit of the person with the immediate team, the overall cultural fit, and the particular challenge
- A good process can also support and sell the decision internally if it is determined that an external candidate is the best choice for the position

4. TOOLS TO ASSESS COMPETENCY

Competency Assessment tools are Self and Superior Assessment, 360° Feedback, Assessment Centre, Psychometric Tests, Interviews, Leaderless Group Discussion (LGD), In-basket Exercise, Management Games, Role Play, Case Study, Scenario Discussion, Portfolio Presentation. Self and Superior Assessment are some of the tools where competencies for a particular job are listed and individual's existing competencies are assessed against the required competencies by individual himself and his superior.

Superior's superior may also be involved in such as assessment process and weightage may be given to the assessment of each of the assessors and accordingly weighted assessment score can be worked out using different statistical measures.

The competencies required by middle level never to manage team can be assessed using a 5 point scale to indicate the expected competency level, i.e. Beginner (Scale 1), Learner (Scale 2), Practitioner (Scale 3), Expert (Scale 4), Role Model / Leader

(Scale 5).Decision making is the basic competency required and to be developed till the maximum expertise level. For example, Mumbai based power sector has developed competency matrix for the middle level management to develop "Decision mapping" competency.

DECISION MAKING:

The key building blocks to this competency are analyzing all available information & resources, Timely decision making. Whenever you encounter a problem/issue, evaluate all its information, which is available to identify the causes of the problem/issue. After considering all the details of the problem/issue, you will crate & evaluate various possible solutions that will help resolve it. From the various possible solutions, decide on the best alternative that would address the problem in a timely manner.

DESCRIPTION OF THE PROFICIENCY SCALE:

Table 1: Proficiency Scale Description

Sr. No.	Proficiency Scale	Description of the Proficiency Scale
1.	Beginner (Scale1)	Is unable to evaluate all the aspects of the Problem/issue.
2.	Learner (Scale 2)	Tries to identify the problems and comprehend the available informationof the problem fortaking Decision.
3.	Practitioner (Scale 3)	Able to evaluate the problem, generates options to address them and takes timely decision to resolve them.
4.	Expert/Proficient (Scale 4)	Stretches himselfto seek more information, evaluates different options, evaluates them and ensures to take adecision.
5.	Role Model / Leader (Scale 5)	He seeks the relevant information to identify the root cause of the problem,developsdifferent options, evaluates each option against others and takes the best possible decision. Acts as a role modelfor others.

LEARN FROM BEST PRACTICES IN DECISION MAKING:

One should read about companies that were facing major issues (market change, bankruptcy etc.) and the decisions their senior management made. Try to understand the reasons behind the decisions that were made. Identify someone who is successful at decision making and ask if there is a decision that you can think through with her or him to enhance your skills. Discuss the issue with the person. Look for casual

relationships. Develop a response to the issue, then compare your response to the other person's response. Discuss similarities and differences in your responses.

5. CONCLUSION

Measurement of performance of an employee with the help of Competency mapping gives an idea about attitude, ability and skills needed to perform a job. As this process to know the differentiating Competency of an employee will be very much helpful in recruitment of right kind of employees in beginning and also it will more useful in improving skills, abilities of existing employees. Competency mapping will definitely change the attitude of employee towards work and organization. Ultimately this will create healthy work culture among employees and also educates them regarding their duties andresponsibilities and compel them to perform well in order to achieve the core objectives of the organization. Thus the process of Competency mapping creates quality culture among the employees and also leads towards quality enhancement.

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A COMPETENCY MEASUREMENT MODEL FOR ORGANIZATIONAL GROWTH

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ABSTRACT :

In the recent organizational research literature, the Competency Mapping is attracting the attention of researchers. Competency mapping is increasingly used in the field of HR development and empowerment: due to the intensive use of technology, knowledge.Competency mapping is considered as a key to the achievement of competitive gains, not only in the provision of services, but also in the more traditional sectors of production of goods and industrial products.

In this paper, a model for the Competency Mapping and Measurement is presented. This approach allows information to be obtained about the level of appropriateness of the skills associated with the different processes. This data make it possible, inter alia, to analyse the morphology of the business processes, to assess the staff, to better use and distribute the resources over the processes, to promote the mobility of the people across the firm and to optimize training activity and HR management.

Keywords: Business Process, Complexity, Competency model, Competency Mapping, OrganisationDevelopment.

INTRODUCITON

In a business environment, it is often very difficult to define and identify the competencies of people involved in business processes. Also, it is complex to express these competencies with a common language.

Each competency must be associable and linkable to specific processes performed by a company and to individuals, who are the owners of these competencies. Competency management1 has an important impact on improving the overall quality of the product or service, and thus on customer satisfaction.

Development of CompetencyModels

According to Draganidis and Mentzas [7] "a competency model is a list of competencies which are derived from observing satisfactory or exceptional employee performance for a specific occupation. The model can provide identification of the competencies employees need to develop in order to improve performance in their current job or to prepare for other jobs via promotion or transfer. The model can also be useful in a skill gap analysis, the comparison between available and needed competencies of individuals or organizations. An individual development plan could be developed in order to eliminate the gap.

Competencies are the building blocks of competency models.

Each competency in the model is defined by means of behavioral descriptors. These descriptors can be defined by determining the highest and lowest levels of proficiency.

A simplified taxonomy derived from the huge literature available on this topic[3] groups competencies into three categories:

- **Knowledge:**It is the fact or condition of knowing something with familiarity gained through experience or association. It represents the theoretical understanding of something such as a new or updated method or procedureetc.
- **Know-how:** It is related to personal experiences and working conditions. It is learned by doing, by practice, by experience. It is the practical knowledge consisting in "how to get somethingdone".
- **Behavior:** It is referred to individual characters, talents, human traits, or qualities that drive someone to act or react in a certain way under certain circumstances [4].

An activity needs specific competencies to be executed and to optimize its performance.

To build up and to use the competency model [5] ten sequential steps should be followed.

1. Create the processes list
2. Detect the processesroles
3. Create the matrix process/role vs. required competencies.
4. Integrate the competencies taxonomy including the owned competencies and required competencies
5. Create the matrix employees vs. ownedcompetencies

6. Create the matrix process/role vs. employees reporting the employees' effortfigures
7. Calculate the competencygaps
8. Analyze thedata
9. Plan the corrective actions
10. Repeat the measurement on regularbasis

COMPETENCYMEASUREMENT

An empiricscale

According to the literature[6] the 6-level scales are adopted to assess both the Requested and the OwnedCompetencies. The competencies are measured on the scale of 0 to 6, 0 - None; 1 - Limited; 2 - Basic; 3 - Proficient; 4 – Advanced; 5 – Expert

The Process RequestedCompetency

The Required Competency proficiency levels describe the level of a competency required to perform a specific process successfully; these levels relate to the work required for the process. Different processes require different levels of proficiency for successful performance. Not all processes will require the highest level of proficiency and some may not require certain competencies at all [12].

The analysis needs a high degree of accuracy: the requested skills should be detected for every task of the process. To identify the competencies correctly all the activities of the process must be described with the same level of detail. To obtain a homogeneous and detailed definition of the competencies of each activity, consideration should be given to the output of the activity together with method, technology and product required to perform an activity [7]. The following fig 1 shows the general competency process.

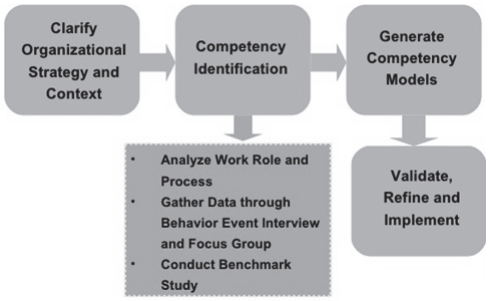

Fig. 1 Competency Process(Source: Google Images)

The Process-Requested Competency Set Cr is defined as "the set of the rates of all the competencies requested by a process"

Eq.(4) $C_r = f(C_{r(1)}, C_{r(2)}, \ldots, C_{(k)})$

Where : k = number of competencies requested by the process

Example:

competencies /process	Competency 1	Competency 2	Competency 3	Competency 4	Competency 5	Competency 6	Competency 7
Process x	**1**	**3**	**2**	**4**	**5**	**3**	**4**

Fig. 2 Process Requested Competency Set

The set of Process Competencies Requested may change over time, when some factors vary: the technology, the degree of automation, the external context, the relations with other processes, the regulations, etc.

The determination of the Process Requested Competencies Set is affected by some arbitrariness, as a consolidated methodology to determine which level of competency is "the ideal one" for an effective performance of a process is not available. The error introduced by a subjective assessment is significantly reduced if the difference from a year to another is analyzed.

Furthermore, the model takes into account the role played by the resources in the process.

OwnedCompetency

With regards to Owned Competencies, the use of a graduated scale facilitates the identification of the degree of skill or mastery. Adaptation or combination of commonly used scales such as Blooms Taxonomy[7] and the Bondy rating scale[8] is frequent. A scale seeks to summarize the differences in the use of time, space, equipment and expenditure of energy across the development field.

The 5-level scale defined in the §3.2 is adopted to assess the Owned Competencies.

(0 - None; 1 - Limited; 2 - Basic; 3 - Proficient; 4 – Advanced; 5 – Expert)

Competency assessment

The competency assessment is the process of comparing an individual's competencies to those of a competency model.

Assessments are systematic methods of gathering data under standardized conditions and reaching a conclusion regarding the knowledge, qualification and potential of an employee [2].

Competency assessment is an ongoing process of continually building knowledge and skills. Organizations are much more dynamic now and competency assessment addresses the need to stay ahead of the curve.

There is a number of different ways of performing competency assessment [2] [3].

Self Assessment

The first is the so-called "self-assessment". Following this methodology, people assess themselves against a pre-determined set of competencies, and using a pre-determined evaluation scale. Often, in the self-assessment methodology the employee is also requested to define a certain number of "areas of strength" and of "areas of weakness". Later the employees are evaluated by the manager. Generally speaking, this methodology is used where the number of employees is not too high and thus it is possible for a manager to have detailed knowledge of the competencies levels of each staff member.

Structured Test

Another way to assess the competency is the structured test. This methodology usually refers to assessing recall of facts, concepts, principles, and basic application in a standard examination format. There are three common exam formats: multiple choice questions (MCQs), essay questions, and short-answer questions. Unfortunately such tests are available only for few competencies.

Assessment Center

The assessment center methodology is used to evaluate behavioral competences. An assessment center is a series of assessment tests carried out using several techniques like simulation, psychometric test and exercises to take critical decisions like selective or rejecting a candidate for recruitment, promotionsetc.

At the end of the performance year each employee is rated on his/her performance against the relevantcompetencies.

Gap calculation

Competency vs. Process Gap[Gr/p]

The Competencies vs. Process Gap is defined as "the arithmetic mean of the gaps between a person's Owned Competencies and the Requested Competencies of the process".

Eq.(1) $$G_{rp} = \frac{\left(\sum_{i=1}^{n} G_{c(i)}\right)}{n}$$

where:

n = number of RequestedCompetencies

Gc(i) = gap between the ith-Requested Competence and the ith-Owned Competence

Eq.(2) $$G_{c(i)} = C_{r(i)} - C_{o(i)}$$

Consequently:

Eq.(3) $$C_r(P) = f(C_{r1}, C_{r2}, \ldots, C_{rn})$$

A person shows a specific Competency Gap for each process which is involved.As stated before10, the positive gap must be put equal to 0.

CONCLUSIONS

Competency framework helps in joining the connection among staff and procedures the connection among procedures and aptitudes and the connection among staff and capabilities claimed

Finally, having a competency framework, and assessments based on it, provides a comprehensive picture of the organization skill map, its development needs, and potential leaders and thus the approach to effective talent management could be defined. The employees get a better understanding of their potential career progression, reinforcing their commitment to the organization even further.

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"THE IMPACT OF WORKPLACE DIVERSITY IN AN ORGANIZATION"

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ABSTRACT :

The research is conducted to find how Organizations manage workforce diversity and its effects on the Institution. The researcher will answer the question like has workplace diversity contributed to organizations Success. Diversity makes the work force heterogeneous. In current scenario, employing diversified workforce is a necessity for every organization but to manage such diversified workforce is also a big challenge for management. People are different in not only gender, culture, race, social and psychological characteristics but also in their perspectives and prejudices. Diversity will cover a wide range of Human attributes and qualities. The research will specify workplace diversity, pros and cons of managing a diverse work place. The researcher after examining the literature and various research papers concluded that workforce diversity is strength for any organization. The result will give a positive Outlook on the Topic.

Keywords *Diversity, Workplace, Cultural Impact, Productivity.*

1. Introduction

Today the world is becoming a small place the barriers to cross border trade and investment are shrinking. Technology and transport have made the distance come closer. In the current scenario India has come up as one of the prime economic driver in the global way. This has generated an opportunity for various companies to enter into the Indian market which in turn as generated employment for the Indian people. Who can handle the cut throat competition employing talent and diversified workforce is very vital for every organization. Human resource is becoming more important. Human resource is the fuels which power the organization progress and growth. Today different approaches are considered while hiring the employees.

The efforts of the people graved up with the material resources can harness the desired output of the organization. The beliefs, attitude, efforts, team spirit and skill have to be polished from time so that the creative and innovation to optimize the resource become a reality. To manage diversified workforce itself is a big challenge for any organization. Diversity can be defined as mutual understand among individuals irrespective of their difference on creed, religion, sex, age, status. Diversity can be turned into a boon when you are able to exact the benefits of diversity and skillfully apply for team building. Many organizations have their own experience and understanding when they adopt diversity in the organization. They

are more open to experiments and innovation. The benefits of each individual can be focused on as for molding the team. The leaders tend to earn and learn managerial application in a multi-cultural working environment, by valuing cultural differences and treat all employees with dignity. Workforce diversity is a primary concern for most of the businesses.

Today's organisations need to recognize and manage workforce diversity effectively. Many articles have been written on this topic but there is no specific definition of workforce diversity. The main purpose of this article is to review the literature of workforce diversity. What is workforce diversity? What are the benefits of workforce diversity in organisations, what management can do to enhance work force diversity in organisations?

1.1 Purpose of the Study

The reasoning behind this research is to examine the different ways of dealing with work place diversity as well as to provide management with the necessary guidelines for effective diversity management in companies.

This research work is based on the facts and information extracted from relevant academic books, proven online sources and questionnaire collected from mail and whatsapp.Workplace diversity is one important issue to be considered by management and needs constant managerial improvement, therefore the research is important.

The process for this study has involved a combination of research, synthesis and analysis. In answering the research questions, the research work is predicated on primary and secondary source of information. With the primary source, an email interview was conducted with the relevant interview questions regarding their experience and view on working with a multi-cultural workforce.

The secondary research method was conducted through surfing the Internet, books and other relevant academic reports to acquire relevant information.

The concept of workplace diversity might differ from company to company according to the rules and guidelines. A company that would employ a diverse workforce aims improve its productivity and income. When considering adopting a diverse workforce, some important factors and attributes need to be taken into account, which involves the following:

Company type

The type of a company plays a significant role in the decision making process of the company in determining whether or not to employ a diverse workforce. Companies differ in size and activities, and come with its own rules, regulations and policies. Normally big companies like Public limited, Government organisations, Multi-

national organizations consider diverse work place appointments. Employing diverse employees would mean, being convinced that the company type will do well or much better with them on board.

Organizational culture

Organizational culture could be defined as a set of values that are shared in the organization, which reflects on the company's activities. There are five components to organizational culture that involves its practices, vision, value, people, place, and its history. Each organizational culture is unique and different from any other companies; therefore any decision made by a company about workplace diversity is based on the company's beliefs and norms, and must therefore reflect on that company.

Company location

Company location contributes to the decisions of a company whether to or not to employ a diverse workforce. Manufacturing plants that are situated in rural parts of the world does not seem to have much choice but to employ workers from diverse cultures, since workers are needed in each office they operate. However some companies have the ability to decide whether or not to employ a diverse workforce especially when they are situated only in their country of origin.

Effective mentoring

Program Cultural mentoring plays an important role in managing a diverse workforce; it orients employees from different cultural background about the new activities or environment they have found themselves in. Most companies believe in the effectiveness of workplace diversity as it brings the interaction between different people with different ideas and also enables a successful achievement at the workplace.

"Diversity Management can be defined as the process of planning, directing, organizing and applying all the comprehensive managerial attributes for developing an organizational environment, in which all diverse employees irrespective of their similarities and differences, can actively and effectively contribute to the competitive advantage of a company or an organization.

The concept of diversity defines differences among people and also their similarities. The act of managing diversity requires that these two aspects be dealt with and managed at the same time. Managers are therefore expected to integrate the collective mixture of similarities and differences between workers into the organization.The management values diversity due to its desires to gain competitive advantage by using the talents of a diverse workforce.

Managing diversity is a business imperative, strategic priority and a competitive necessity (McEnrue, 1993:18-29). Daniel (1994:14) agrees with this viewpoint and adds that if diversity is not utilized as a tool it might become business' downfall.

Increasing productivity at the workplace has been one of the major challenges for managers and leaders and to the company in general. One of those strategies involves adopting workplace diversity and managing it effectively. When management takes the welfare of its workers at heart by means of offering them proper compensation, health care and employee appraisal, It enables workers to feels they belong to the company irrespective of their cultural background by remaining loyal and hardworking which helps to increase the company's productivity and profit.

Diversity at the workplace creates an opportunity for employee's personal growth. When workers are being exposed to new cultures, ideas and perspectives, it can help each person to intellectually reach out and have a clearer insight of their place in the global environment and hence their own surroundings. The more time spent with culturally diverse co-workers can slowly break down the subconscious barriers of phobia and ethnocentrism, thereby encouraging workers to be more experienced members of the society

Valuing diversity emphasizes the awareness, recognition, understanding and appreciation of human differences. By valuing diversity, employees feel valued and accepted, and are recognized as a valuable resource that contributes directly an organization's overall success. The management values diversity due to its desires to gain competitive advantage by using the talents of a diverse workforce. The highest level of "diversity awareness" is the discipline of diversity management. It is the deliberate and focused creation of organizational changes that enable all employees to perform up to their maximum potential.

Changing existing attitudes toward diversity in the workplace clearly involves more than just decisive leadership but also the cooperation of all employees as it affects their inter-personal relationships with each other. Therefore managers must exhibit leadership traits and move beyond the normal tasks of planning, organizing and control. Workplace diversity can immensely strengthen a company's relationship with some specific group of customers by making communication more effective.

Customer service department is one of the areas where effective communication is crucial. A customer service personnel or representatives can be paired up with customers from their specific area or location, making the customer feel at home with the representative and thus with the company.

Diverse Experience: Employee and their co-workers that come from a diverse background bring to the table some amount of unique perceptions and experience during teamwork or group tasks.

Pooling the diverse skills and knowledge of culturally distinct employees together can immensely benefit the company by strengthening the responsiveness and productivity of the team to adapt to the changing conditions. Every diverse culture has its own strengths and weaknesses, therefore in addition to their individuality; every diverse employee possesses a unique strengths and weaknesses that are derived from their culture. When each workers´ unique trait is managed properly and effectively in the organization, it can leverage the strengths and complement its weaknesses.

One significant disadvantages of working with a diverse workforce is discrimination in the part of both managers and employees. It can exist but hidden aspect of a poorly managed workplace. When a worker is being discriminated, it affects his ability to perform well and it also affects the perception of equity and raises issues of litigation.

- Communication issues: Workplace diversity can negatively impact communication in the company. It can place an obstacle in the way of effective communication, which can cause a decrease in productivity and dampen the cohesiveness among workers. Even though spending time with employees by getting to know them helps reduce and in some instances eradicate communication barriers during a long-term, co-workers orientation periods and an individual´s first impressions can be difficult to control when culture clash.

Myriad Accommodation:

Although the premise of workplace diversity is mutual respect, making way to accommodate each diverse worker´s request can be burdensome of employers, which makes it difficult to manage diversity. Some employee work constraints such as race, religion, country of origin and gender can sometimes be overwhelming if the diversity in the organisation tends to be so much to the extent that the company has to employ a fulltime staff to keep track of accommodating the employee's needs.

Managing diversity requires that managers should recognize certain skills that are vital for creating an effective and successful diverse workforce. Leaders and managers must understand that understanding discrimination and its consequences will always prevail in the organization. Managers must recognize their own cultural preferences. They must see diversity as the differences among individuals and support the fact that each individual is unique in a special way.

Moreover, managers must be ready to change the organisational culture when the need to do so arises and learn how to effectively manage the diverse workforce in

order to be successful in the future. Diversity management involves a complete process needed for creating a working environment that involves everyone. When creating an effective and successful diverse workforce, Managers in the first instance must focus on personal awareness. Both employers and employees need to outline their personal prejudices.

Diversity management entails much more than providing same opportunity for employment. Managers should realize that change occurs in a slow pace, but yet should continue to encourage change. Dealing with diversity also requires providing a secure environment for managers and workers to communicate, such environments includes social gatherings and business meetings where every member feels comfortable to be and creates a friendly atmosphere to speak freely as well as listen to others.

Mentoring programs should be implemented to guide employees on how to access information. Constructive feedbacks should be given to the employees after they have learnt about their mistakes and when they are successful in implementing the lessons learnt to achieve success. Cultural mentoring as a tool for managing workforce diversity.

In the global environment, culture can be defined as the way people live and the attributes they portray such as their behaviors, believes, values, and symbols that they accept generally from generation to generation. In a Business sense, every company has its ´Company culture` that entails different form of activities for various working positions as well as a general guide to the company.

A cultural mentor's task is to help both older staff and new recruits understand the culture in the new context. In particular, it is the duty of the cultural mentor to explain to the mentee how things are done in the company, and how behavior should be interpreted. Some companies usually regard the Human Resource Department or Human Resource Manager as a company mentor. Whereas other companies invite or in some cases employ an individual or group of people to serve as mentors to the company from time to time.

The ultimate goal of a mentor is to be able to help the participants or employees realize their own potential to enable them to effectively utilize it. Networking entails the ability to make and maintain a wide contact with business partners and leaders and benefit from the partners´ offerings and ideas in a variety of career areas, level of management, and organizations over a long period of time. Networking can also help provide relevant information, insightful views and career-enhancing contacts.

Diversity management can reduce unwelcomed turn over and reduce absenteeism. In order to get the best out of the workforce, companies should not exclude any particular group by gender, race, or religion, the company will be excluding the

person that is going to produce the next famous and successful product or someone who is going to contribute in another useful way in marketing, computing or engineering or elsewhere.

How to manage a diverse workforce in organisation?

Companies can succeed at diversity if the initiative to create, manage and value the diverse workforce has the full support of the top management (Hayes, 1999; Jackson et al., 1992). The following are the conditions which would make workforce diversity a success in any organisation: The organization should assign this work to a senior manager (Jackson et al., 1992).

The organization should link concerns for diversity to human resource management decisions around recruitment, selection, placement, succession planning, performance management, and rewards (Cascio, 1998). The organization should create such a working environment as will increase the motivation, satisfaction, and commitment of diverse people.

Communicating intercultural' it will aid in managing a diverse workforce. An individual will be able to understand how cultural and ethnic differences shape the conflict process and coming up with conflict resolution strategies. There will be able to negotiate outcomes with cultural differences in mind.

Benefits of managing workforce diversity

According to one study (Watson et al., 1993), culturally diverse groups relative to homogeneous groups are more effective both in the interaction process and job performance; these benefits occur after a diverse group has been together for a period of time.

Maintaining diversity in organizations may be important, however, for creativity, and for improving representation and access to power in view of the demographic changes in the workforce and equal opportunity, employment equity/affirmative action, and human rights legislation. Organizations with a diverse workforce can provide superior services because they can better understand customers' needs (Wentling and Palma-Rivas, 2000).

Hiring women, minorities, disabled, etc. will help organizations to tap these niche markets (Mueller, 1998) and diversified market segments (Fleury, 1999). As all the segments of society have a stake in the development and prosperity of society as a whole, creating and managing a diverse workforce should be seen as a social and moral imperative (Mueller, 1998).

As globalization is increasing, diversity will help organizations to enter the international arena (Cascio, 1998). Diversity enhances creativity and innovation (Adler, 1997; Jackson et al., 1992), and produces competitive advantages (Coleman,

2002; Jackson et al., 1992). Diverse teams make it possible to enhance flexibility (Fleury, 1999) and rapid response and adaptation to change (Adler, 1997; Jackson et al., 1992).

Managing a diverse workforce entails a minimization of cloning that is preventing the production of an exact copy in selection and promotion. This leads to a wider range of ideas and abilities, offering greater scope for innovation and competitive performance in the future therefore enriching an organizations human capital.

How to manage a diverse workforce in organisation?

Companies can succeed at diversity if the initiative to create, manage and value the diverse workforce has the full support of the top management (Hayes, 1999; Jackson et al., 1992). would make workforce diversity a success in any organisation:

The organization should create such a working environment as will increase the motivation, satisfaction, and commitment of diverse people. Performance standards must be clearly and objectively established, effectively communicated, and used on objective criteria without any bias. Identify desirable and undesirable behaviors that must be based upon performance feedback discussions involving a diverse workforce.

Training and development programs will improve the skills in dealing with the day to day diversity dilemmas. This will help managers to be aware on how power relations impact on stereotypes of groups and on perceptions of individuals and the expectations.

Mentoring programs, involvement of experienced advisors and helps others for a period of years. This mentor should be able to advise employees on the whole concept of workforce diversity and the reasons why diversity should be managed in the workplace. Assessment of ones beliefs about work values, being able to identify work values of others from different cultural backgrounds and examination of the leadership assumptions from a multicultural perspective. Creation of the support system, to reduce isolation and discrimination. This can be done through the encouragement of a formal system and informal networks.

Disadvantages of workforce diversity in the workplace

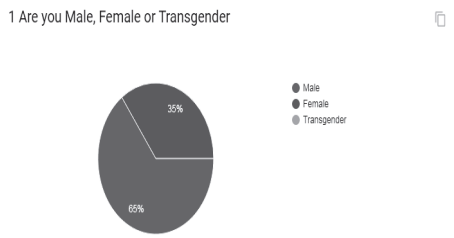
Diversity of the workforce in organizations has its benefits but below are few disadvantages of workforce diversity. Many people feel threatened by working with people of a different age, sex, or culture. First, there is an increase in the cost of training. This increase comes from costs associated with seminars, programs and lectures given to promote diversity in the corporation. These types of training are given to all levels of staff within the organization.

They teach employees how to accept the personalities and ideas or thoughts of others. These programs also teach one how to deal with conflicts and prejudice in a professional and civil manner (White, 1999). A disadvantage of diversity in the workplace is an increase in conflicts. Conflicts arise when two or more individuals or groups do not see eye to eye on a particular situation. In regard to diversity, conflicts arise largely due to ignorance. Prejudice feelings or derogatory comments cause a lack of acceptance. "This can produce negative dynamics such as ethnocentrism, stereotyping and culture clashes" (White, 1999). The most common conflict comes from one feeling superior.

If management ignores such conflicts, the company's performance may suffer (White, 1999). If conflicts can be managed and controlled creativity and performance can be increased. Employers will work harder to gain acceptance by creating a solution or invention first.

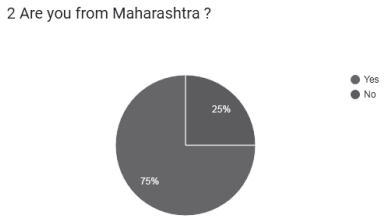
This can be the case when managers reconcile competing goals, promote in a representative manner, stand behind the minority group member, and act when resources are plentiful and cultural differences are low or well understood (White, 1999). Conflicts always arise wherever they are human beings' but they should be managed properly for the benefit of the organization. Increases in labour turnover and absenteeism are another disadvantage in having a diverse workplace.

Data Analysis:



Inference:

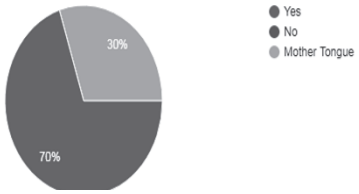
Among the 200 respondents 65% are Male and 35% are female, there were no transgender applicants in this case.



Inference:

Among the 200 respondents 75% are from Maharashtra and25% are from outside.

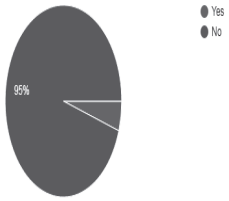
3 Do you speak a language other than English at home.



Inference:

Among the 200 respondents 70% can speak other language than English at Home and 30% speak their mother tongue.

4 Do you have an ongoing disability?

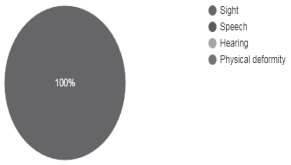


Inference:

Among the 200 respondents 95% people are physically fit and 5% people have disability.

5 Please indicate the nature of your disability

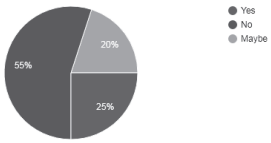
1 response



Inference:

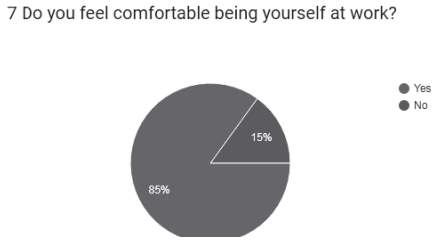
Among the 200 respondents 1% respondent has disability problem

6 Have you faced or witnessed prejudice or discrimination in your work Place setting



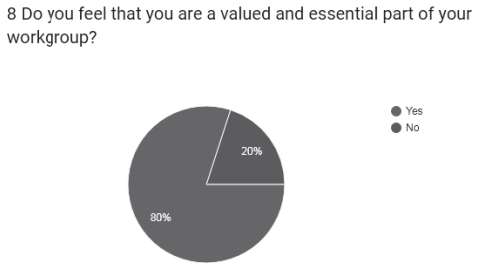
Inference:

Among the 200 respondents 55% respondents did not face discrimination in the work place setting, 25 % feel discriminated and 20% respondents said maybe.



Inference:

Among the 200 respondents 85% feel comfortable in the workplace.



Inference:

Among the 200 respondents 80% respondents feel valued at the workplace

Findings:

- There are more male working then female in the organization
- More people from the state are employed
- People tend to speak in their mother tongue language besides English
- Physical disability is only 1%.This question was attempted by only one respondent.
- 55% respondents have not faced any discrimination, 25% respondents have faced discrimination and 20% respondents feel maybe but not confirmed.
- 85% people feel comfortable at the workplace, so caste, sex, religion etc hardly matters.
- 80% respondents feel valued at their workplace.

Conclusion

Based on the findings we can come to the conclusion that work place diversity contributes to the organizations productivity as people feel comfortable and valued as a team member. The diverse culture helps to bring out the best in team.

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STUDY OF IMPACT OF THE HUMAN RESOURCE MANAGEMENT PRACTICES ON -EMPLOYEE PERFORMANCE (WITH SPECIAL REFERENCES TO WIPRO.INFOTECH)

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ABSTRACT :

The project is related with the core analysis with HRM practice is IT sectors (WIPRO). Also the comparison of HR practices between government, private and multinational IT Sector is made.

As the project core importance is regarding the human capital management and also Resource management and the advancements in them with taking into consideration of IT company Wipro. InfoTech, Bangalore. The human resources are important

Aspects of any company so it sectors are increasingly focusing on human resource practices as a unique demand that can provide competitive advancement in the field. This helps the management to face challenges, changes in business environment, in technologies and never ending changes. That organisation are undergoing have importance of human resource management. This research paper highlights the content within which IT industries have grown. The study suggested the existence of normal structured and rationalized HRM system in IT (Wipro) industry. The more number of dissatisfaction are identified I.e. Performance Evaluation, Promotion, Transportation facilities, Appraisal. The research is based on secondary data which is been collected through internet and books.

KEYWORDS:*- HRM, IT company, employees.*

INTRODUCTION

Human resource management is a function in organisation designed to maximise employee performance in service of their employers strategic objectives.HR is primarily concerned with how people are managed within the organization, focusing on policies and system.

Human resource is not only unique and valuable, but it is also an organisations most important resource. Human resource management deals with the people dimension in management. It seems logical that an organisation would spend a great deal of effort to acquire and make optimum utilisation of such resource. This effort is known as HUMAN RESOURCE MANAGEMENT which was earlier termed as staffing and personnel management.

Here, human, resource, and management refers to different aspects which are useful in organisation. These are as followed:

HUMAN: refers to the skilled workforce in the organisation.

Resource: refer to limited availability or scarce.

Management: refers to maximize or proper utilization and make best use of limited and a scarce resource.

Human resource management may be defined as the art of procuring, developing, motivating, and maintaining competent workforce to achieve organisational goals efficiently. Hence IT SECTOR (WIPRO. INFOTECH) focuses on human resource practices.

The mains of Human resource practice in selected company are as follows:

1) Human resource practice involves several practices concerned with managerial functions.
2) It involves manpower planning, training.
3) The aim is to maintain interest of both workers and management.
4) It is development oriented.
5) Human resource management is not a one shot deal. It requires continuous process, hence it is continuous process in the organisation

Glueck, ''HRM is concerned with the most effective use of people to achieve organisational and individual goals.''

Byars and Rue, "HRM encompasses those activities that are designed to provide for and coordinate the human resource of an organisation.''

From the above definition it is clear that human resource management is used to achieve organisational goals. The human resource practices evolved a great deal today in every sector also in the selected company. It has helped organisation to achieve Industrial revolution, scientific management, Human relations movement that provide organisation to work efficiently and effectively.

In this paper we are going to understand the human resource practices in IT sector (WIPRO. INFOTECH) of the selected company and the problems that are been identified through study.

HRM PRACTICES

HUMAN RESOURCE is life and blood of IT industries as skilful talents are source for competitive advantages in this industry .Human resource management deals with issues related to compensation, performance management, organisation

development, safety, wellness, benefits, employee motivation, training and others. HRM plays a strategic role in managing people and the workplace culture and environment.

In this research we have presented theoretical presentation of HRM practices. This list as been generated from the theory collected from google.com and Human resource management and OB by Prof. Inamdar Aqeela Muzaffar and Prof. Mangesh Waghmare (in the Takhur PVT.LTD. Pune).

The following are the HRM Practices in Wipro InfoTech:

1 Human Resource Planning:

Human resource planning is a system of matching the supply of people (existing employees and those to be hired or searched for) with openings the organisation expects over a give timeframe. HRP is the process by which an organisation ensures that it has the right number and right kind of people, at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organisation achieve its overall objective.

HRP process in Wipro:

When Wipro prepare planning, practitioners should bear in mind that their staff members have their objective they need to achieve. This is the reason why employees seek employment. Neglecting these needs would result in poor motivation that may lead to unnecessary poor performance and even Industrial actions.

HR planning involves gathering of information, making objectives, and making decisions to enable the organisation achieve its objectives. Surprisingly, this aspect of HR is one the most neglected in the HR field. When HR Planning is applied properly in the field of HR Management, it would assist to address the following questions:

- How many staff does the Organization have?
- Which type of employee as far as skills and abilities does the Company have?

How should the Organization best utilise the available resources?

How can company keep its employee?

HR Planning makes the organization move and succeed in the 21st Century that we are in.

2 Talent management:

Wipro typically offers flexible Employee Performance Management (EPM) solutions delivered in either a Business Process Outsourcing (BPO) or Software as

Service (SaaS) model that makes assessment and development easy, more accurate an economical for our clients HR functions.

Wipro provides clients with an Integrate Talent system to deal with business needs, job forecasting and manpower planning. The focus of the system is on quality, cost and time management.

3 Recuritment and Selection

Recruitment is the process of searching for prospective employees and stimulating to apply for jobs in the organisation.

Selection is the process of making a hire or no hire decision regarding each applicant for a job.

Stages of the selection process to get recruited in the Wipro:

Written Exam

Wipro Interview Process:

- Technical interview: Questions related to specific technical fields are asked in this round.
- HR interview: final step to select a candidate has an employee is interview as it helps to determine his personality.

4 TRAINING AND DEVELOPMENT:

Training is specialised function and is one of the fundamental operative functions of human resource management. It is the process of learning a sequence of programmed behaviour.

Training is organised procedure by which people learn knowledge and or skill for a definite purpose.

Training and development in Wipro:

It has an in-house training department that handles continuous training of employee. Those with less than one year of experience are taken through a well structured induction program.

5 PERFORMANCE APPRAISAL:

Performance appraisal is a method of evaluating the behaviour of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance. Performance refers to the degree of accomplishment of the tasks that make up individual's job.

Performance appraisal is a system of review and the evaluation of an individual's or team's performance.

Contents of the getting performance appraisal in Wipro:

- The cultural change is what they are going through. The initiative is part of a "360-degree survey" where everyone, including project managers, will be covered.
- Senior IT industry executives say linking customer feedback with the key result areas drives positive behaviour executives to ensure the enhanced customer satisfaction.
- Performance rating is also the method used by Wipro.

6 WIPRO GREEN MACHINE: {in India only}

This is been included in HRM Practices as it requires management.

Wipro InfoTech was India's first company to launch the environment friendly computers on 14 June 2007.

For Indian market Wipro has launched a new range of desktops and laptops called Wipro green ware.

7 Companies WELFARE ACTIVITIES:

Companies always provide welfare activities to their employees for better work and satisfaction. Wipro provides Maternity leave, Sick leave for 5days, Vacation and paid time off are some of the welfare activities provided to employees.

Employees of Wipro are like:

- You can choose you way of life in Wipro. Over work, slog and grow or sit back relax and enjoy.
- The flexibility to switch roles and explore newer areas of interest is tremendous and a great benefit of being in Wipro.
- Onsite opportunities are plenty.
- Managers are generally cool.
- Policies are generally flexible and can be worked around with a good boss, until and unless the integrity comes in question.

LITERATURE RIEVIEW

The objective of the review is to explore the HRM practices in selected company. Many researches are carried out in past on HRM practices. Different researches arrived at different results. A research done by 'Invancevich and Glueck' and 'Byars and Rue' revealed that a better human resource management helps in achieving organisational goals which are profit oriented and employee satisfaction.

The impact of HRM on the employee (IT Sector) or of any company has came into light and as such it has become an area that requires paying more attention to in the field of HR practices.

A number of factors contributed to the rejection of workforce planning over this period. The traditional approach has been highly mechanistic and concerned head to head content , which helps to meet changing conditions.

Furthermore, the fluctuating economy led some to regard planning as a futile activity. The term planning is imbecilic; everything can change tomorrow.

Finally, there is an understanding of the need to frame employee tasks in the context of business plans and to make them more challenging in the drive for continuous business improvement.

The findings highlighted that human resource practices make a positive environment of the organisation.

PROBLEMS IDENTIFIED

The HRM plays an important role in helping employees keep pace with technical changes. HRM helps to resistance the change. It helps with dealing the workforce shortage.

The topmost problems identified from the study are as following:

1) Limited resources for training.
2) Work ethics.
3) Trade union.
4) Limited research work.
5) Differential compensation packages.
6) Management changes.
7) Dominating nature and attitude of managers.

Hence these are the problems identified through the study of the selected company. Therefore an earnest effort has been made in the study to assess HRM practices in Wipro InfoTech.

OBJECTIVES OF STUDY

From the review of literature it is clear that there is impact of HR practices for the development of the organisation. So, this study is taken to fulfil the objectives of select company. Also according to the problems identified in the study, the objectives are been considered.

Through the problems identified, following objectives are set for study.

- Study the existing system prevailing with regard to management system in Wipro.
- Looking on the challenges prevailing in the retention of such highly skilled effective employees.
- Change the existing system of management.
- To know the HRM practices by the heads of HR department and of the respondent employees of the select company.
- To analyze the importance of skill factors, training factors, communication factors and recognition and reward factors in the selected company.

To analyze the HRM practise based on different parts of the select company

- To identify the HRM practices in the select company.

These are the various objectives of select company which are to be taken into focus on HR manager. The above considered objectives are pit into light through this research. The select company has to perform various HR practices for achieving the above mentioned objectives.

A) METHODOLOGY

The present study is theoretical study on the HRM practices in Wipro InfoTech. Or IT firm. With a view for achieving the objectives set for the study. The study based on Secondary data.

The secondary data has been collected through the internet using google.com and also with the reference of book.

B) Data analysis and collection

1) Data collection:

Data was collected through the secondary source that is using internet browsing online and from the reference book

The main endeavour of this study is to examine HRM in the selected company.

2) Secondary data:

Secondary data is connected with the help of internet and web based on study. With this data collected there is an Analyzation of HRM practices evoked with organisation culture and individual values. Through this we come to know that each and every employee satisfaction is mandatory for better performance and success of the firm.

3) Workplace:

Workplace design needs to take into account of a wide range of issue. It is necessary to obtain a better workplace for the employee. Workplace of the organisation motivates them to perform a best for the goal of the organisation.

The organisation includes group of people working in firm in different sectors for this there is communication and interaction among them and this requires different work place and solutions.

Absence of workers can be reduced by having proper workplace environment which can in turn increase employee performance and productivity.

HYPOTHESIS

Based on the objectives of the set of study, the following hypothesis is derived.

HYPOTHESIS is tentative statement about the relationship between two or more variable. In this research, the hypothesis is a specific and clear and also testable position statement about the result of the research study.

Following are the hypothesis:

Hypothesis 1:

There is no difference in the HRM practices of the selected company between male and female employees.

HYPOTHESIS 2:

There is a significant positive correlation between HRM and job practices of the respondent employees of the selected company.

HYPOTHESIS 3:

HRM has significant impact on the employee performance towards the organisation.

FINDINGS:

- The above study indicates that there are a variety of innovative HR Practices by the IT companies.
- According to the above study it is clear that there is good HR Practices among the organisations. Through this study we come to know about the significant impact on the employee performance due to HR Practices in IT Firm.
- There is equal relation between the HRM and the employees. The Equal employment opportunity Act is fully adhered in IT industry. According to this, there should be no discrimination with respect to race, age, sex, religion, etc to the employees. Employees in the organisation grow irrespective of their gender.

- This motivates the women employees to be more productive.
- It is by large felt that with experience or more number of services in the organisation, an individual moves up the ladder.

SUGGESTION:

There should be more focus on the innovate ideas of the HRM practices in the company. There should more focus on the employee satisfaction. The top management should maintain a well relation with the employees so as to keep the proper relationship among them.

The new ideas should be implanted according the market demand.

The company should also maintain the social relations.

LIMITATIONS:

This study aims to analyse the HR practices only in the IT sector. It can be further continued as a longitudinal study by comparing the HR Practices across various. Moreover the study has considered only the Wipro InfoTech.

CONCLUSION:

Based on the research study we can say that there exist a strong connection between HRM practices and the employee performance. It is strongly studied that HRM practices selected company provides the DEVELOPMENT, MAINTAINING and CONTROLLING human resource for effective and efficient achievement of organisational goals.

The selected company (organisation can look on the problems that are identified) through the study which helps the employees to improve and improvise their performance towards the organisation.

The management should work on the problems by providing employee proper training to improve skills, promotions should be provided to those are hard working (to motivate them).

Transportation is major problem came into limelight. The management should consider these facts to make the employee satisfy. Hence management should consider improving these actions.

The organisation focuses HR practices by the superior's only. This helps the organisation to work efficiently and smoothly.

The selected company can look on HR practices of the firm more accurately.

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"WOMEN EMPOWERMENT THROUGH ENTREPRENEURSHIP AND INITIATIVES TAKEN BY THE GOVERNMENT TO PROMOTE WOMEN ENTREPRENEURS IN CURRENT SCENARIO IN THE CONTEXT OF INDIA."

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ABSTRACT :

Women are lagging behind men basically because of the absence of economic opportunities and very low participation in decision making process. Educational is one of the major reasons because As per Census 2011, India's population was 121.06 Cr and the females constituted 48.5% of it. the literacy rate at all India level was 72.98% and the literacy rate for females and males are 64.63% and 80.9% respectively . Therefore empowerment of women as a solution to this problems. The role of women as entrepreneur is drastically increasing all over the world. Women entrepreneurship is major development instrument for women empowerment. Empowerment leads to self-fulfillment. Women are becoming more empowered, personally, socially and economically through entrepreneurship. Thus, the current study is focused on empowering women through entrepreneurship in emerging economies. The government in India has taken several initiatives to promote and increase the participation of women entrepreneurs. The initiatives taken by the Govt is aimed to realize their entrepreneurial aspirations, scale-up innovative initiatives and chalk-out sustainable and long-term strategies for their businesses. The aim of this study is to access how the women entrepreneurship is rising in India through government initiatives and to reach this data to motivate other women's to come up with their own creative ideas to become entrepreneurs with the support provided by the Government.

Keywords: *Women empowerment and Entrpreurship, Government initiatives, Policies and Programs.*

Introduction:

For an Indian woman freedom does not just mean those guaranteed under the Constitution. It means availability of jobs, opportunities for entrepreneurship, increased safety and protection of the girl child. The road to women's empowerment has several factors coming on its path.

Women Entrepreneurs may be define as the women or a group of women who commence and operate a business venture individually or jointly. The data also

revealed that most of these women-run companies are small-scale and about 79% of them are self-financed. Ministry of Micro, Small & Medium Enterprises, popularly known as the engine of growth in the country and incubators of entrepreneurship has emerged as the torchbearers of women empowerment on a global platform

Women Empowerment in India: Women's empowerment is the way or a social action in which women elaborate and recreate what it is to be in a circumstance that they previously were denied. Empowerment can be defined in many ways, however, when talking about women's empowerment, empowerment means accepting and allowing people (women) who are on the outside of the decision-making process into it. "This puts a strong emphasis on participation in political structures and formal decision-making and, in the economic sphere, on the ability to obtain an income that enables participation in economic decision-making. Empowerment is the process that creates power in individuals over their own lives, society, and in their communities. People are empowered when they are able to access the opportunities available to them without limitations and restrictions such as in education, profession and lifestyle. Feeling entitled to make your own decisions creates a sense of empowerment. Empowerment includes the action of raising the status of women through education, raising awareness, literacy, and training. Women's empowerment is all about equipping and allowing women to make life-determining decisions through the different problems in society

Concept of Women Entrepreneurs: Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated in the enterprise to women. Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stands on their on legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such a situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them

Status of Women Entrepreneurs in India According to Sixth Economic Census released by the Ministry of Statistics and Programme Implementation, women constitute around 14% of the total entrepreneurship i.e. 8.05 million out of the total 58.5 million entrepreneurs. Out of this, 2.76 million women constituting 13.3% of women entrepreneurs work in agriculture sector whereas 5.29 million women

constituting more than 65% work in non-agriculture sector. The average employment in women-owned enterprises is meager 1.67. Empowerment of women is central to achieving the objective of inclusive, equitable and sustainable development and it is not only a national goal but also a global agenda.. A recent World Bank report has revealed that women employers tend to hire mostly women. This may be partly because of the kind of businesses set up by women entrepreneurs, such as small tailoring unit, beauty and wellness saloon, etc. Many of such women-owned firms offer only mea reemployment at nominal rate of 1-2 person per unit, giving credence to the finding that large number of women entrepreneurs are micro-household enterprises supplementing their family income. Lack of equal access to education & employment, inequalities in the labour market, rising sexual violence and unequal division of unpaid care and domestic work remain the key barriers to their advancement. Gender disparity hinders women's empowerment and their integration in mainstream, a major shift in our mindset which would lead to a positive attitude towards women and their role in society. Women's active participation in decision-making has a positive impact on education, health, nutrition, employment and social protection. Women's empowerment has a multiplier effect not only on their own lives but also on the family and the society.

Reasons for Women becoming Entrepreneurs .The role of women in our society has changed drastically in the past few decades and for the better. Women are now occupying the corporate positions previously regarded as masculine and are outpacing their male counterparts in some areas. Economic Growth The influx of more women into the workforce has led to significant economic growth and productivity. The opportunity to build something for yourselfA great deal of energy goes into creating and building something that is all yours, knowing that this is work for yourself, instead of someone else. Unlimited earning potential There is truly no limit on your income potential when you're running your own company. With hard work, determination and creativity, you can go from six figures to seven and beyond with the chance of carving out your own financial destin. Following reasons are also responsible to encourage them to become women entrepreneurs.

- Lack of job opportunity
- The increasing cost of living
- Due to high education, they are entering into entrepreneurial activities
- A lot of opportunities in a market
- Family background of having business

Women Entrepreneurship In India: The educated women do not want to limit their lives in the four walls of the house. They demand equal respect from their partners. However, Indian women have to go a long way to achieve equal rights and

position because traditions are deep rooted in Indian society. India being a male-dominated society. Women in India constitute 48per cent of the total population. But their participation in economic activities is only 38 per cent. The development of women as entrepreneurs will generate multifaceted socio-economic benefit to the country.

Objectives and Methodology Of Study: The study is based on secondary data which is collected from the published reports of RBI, NABARD, Census Surveys, SSI Reports, newspapers, journals, websites, etc.study was planned with the following objectives: To assess the factors responsible for encouraging women to become entrepreneurs, To know the initiatives and steps taken by the government on women's entrepreneurship.

Traits of the Women Entrepreneur:

Positivity and Ambitious: Entrepreneurs in today's world won't get far without ambition, female entrepreneurs have to have it even more so. These women don't sit in a 9-5 daydreaming about what could be, they get out into the world and make those dreams a reality.

Know Their Strengths: The only way to be a successful woman is to be a strong woman; know your strengths and play to them. For example, divorce attorneys don't go into the courtroom with a list of concessions, they go in with a solid game plan. Successful female entrepreneurs view life in much the same way. Knowing their strengths allows them to maximize their efforts.

Confidence: Confidence creates a sense that you know what you're doing. You wouldn't trust a person who was stammering and second guessing their own words and ideologies. Powerful women don't second guess themselves. They carry themselves and speak with authority.

Organization: As with anyone successful, organization is a must. Life is messy and can be hectic, but when you have organization down to an art, peace can be created in the midst of chaos. Keeping a calendar which you actually consult is a great way to keep track of what is going on in your life, its how those ambitious women accomplish all the things they need to be done.Self Growth: Effective women entrepreneurs are always improving themselves. They are always learning new things and creating personal growth. Many have life coaches, read constantly, and are always looking for new ways to broaden their own mental horizons.

Hardworking: Everyone knows that success does not come without hard work. Successful women don't just work hard part of the time, they work hard all of the time. They are dedicated individuals, which is much harder in practice.

Support System: People do not become successful by themselves. Strong women have people around them who are encouraging and uplifting. Exceptional women know not to surround themselves with negativity. Instead, they build a network of other strong women, in whom they can confide.

Belief: Successful females are passionate about what they do. Their belief in what they do creates a driving passion. That driving passion is inspiring and will help carry her endeavors through thick and thin times.

Vision: No successful person became successful by happenstance, nor did they stay that way without vision. Successful women are no different. They have a vision for where their entrepreneurial dreams will take them. They have plans to achieve those goals, and they have the dedication to see it through.

Reasons For the Slow Growth of Entrepreneurs in India Entrepreneurship is a herculean task enveloped with risks and struggles. Only an entrepreneur can understand the trials and triumphs their breed goes through. Some of the challenges are common to all entrepreneurs, irrespective of their gender. However, there is a distinct set of factors that handicaps the growth of women entrepreneurs. In this patriarchal society, identity of a woman is based on her relationships and the way she nurtures her family. These social norms come at a heavy cost: A woman's dreams, ambitions and desires. Over the past decade there has been a steady growth in the number of women entrepreneurs, but it's very slow. Let's read about a few barriers that women have to overcome to achieve success, which are also the reasons for women entrepreneurs: Why are there so few women entrepreneurs in our country?\

- Socio-Cultural Atmosphere: Patriarchal Society
- Illiteracy
- Family Support
- Balance between Work and Home
- Women: Not to be taken seriously!
- Lack of Exposure
- Lack of Self-Confidence
- Risk Taking

Role of MSME IN Women Empowerment through Entrepreneurship:

Ministry of Micro, Small & Medium Enterprises, popularly known as the engine of growth in the country and incubators of entrepreneurship has emerged as the torchbearers of women empowerment on a global platform. Last year, on the eve of International Women's day 2018, Ministry of MSME launched Udyam Sakhi, a

network for nurturing social entrepreneurship creating business models revolving around low-cost products and services to resolve social inequities. The portal cater needs of around 8 million Indian women who have started or running their own businesses through its platform for entrepreneurship learning tools, incubation facility, training programs for fundraising, providing mentors, one-on-one investor meet, provide market survey facility and technical assistance. To put it in nutshell, it can be easily inferred that Indian Govt has been incessantly involved in revolutionising the role of women outside the four walls of their home. Women, nowadays, take risks, trust their vision and settle for nothing less.

Ministry of MSME, which recently held its first Conclave on Empowering Women Entrepreneurs of marginalized Sections' received colossal applications – has emerged as the premier institution responding to the phenomenon of female entrepreneurship. Aimed at awakening the country to issues of hidden disparities and discuss a range subjects to highlight the evolving role of women entrepreneurship in India, the conclave witnessed multiple sessions wherein influencers from various walks of life came together to discuss and deliberate on key issues. The conclave turned out to be huge hit amongst SC/ST women entrepreneurs. With the gradual shift of mind-set amongst the stakeholders in MSME, Ministry awarded path breaking women entrepreneurs and outstanding women achievers in varied fields on the occasion of Int'l Women's Day 2019. The move intends to celebrate women who are breaking the regressive restraints that society and circumstance have placed on them, and are choosing to be financially independent, while continuing in their traditional roles as primary caregivers.

MSME Transforming Homemaker to Entrepreneur

Women are the pillars of society and when women are empowered, the whole world is empowered Ministry of Micro, Small and Medium Enterprises (MSME) is empowering women entrepreneurs through its different schemes helping women spark their talent and build their own identity. 1.38 lakh projects have been set up by the women entrepreneurs under Prime Minister's Employment Generation Programme (PMEGP) Scheme since inception and upto 23.01.2019. The projects set up by women entrepreneurs are about 30% of total projects set up under PMEGP. Not only MSME, the Government of India has taken various steps towards women empowerment and safety

Schemes for Promotion And Development Of Women Entrepreneurs

Women Entrepreneurs can be seen everywhere in the startup-up ecosystem of India. Women too are seen leaving their high-profile jobs as well as some stepping out of the four walls of their homes and joining the pool of Entrepreneurship in India. The major factor to jumpstart the entrepreneurial journey is capital and various banks offer specialized loans for women entrepreneurs that have slightly different and more

flexible set of terms and conditions pertaining to collateral security, interest rates, etc.

Here is a list of various schemes and loans exclusively for women that aim at promoting and easing out the process for them –

1. Annapurna Scheme

This scheme is offered by the State Bank of Mysore for those women entrepreneurs who are setting up food catering industry in order to sell packed meals, snacks, etc. The amount granted as a loan under this scheme can be used to fulfill the working capital needs of the business like buying utensils and other kitchen tools and equipment. Under this loan, a guarantor is required along with the assets of the business being pledged as collateral security. Further, the maximum amount of money that is granted is ▪ 50,000 which has to re-paid in monthly installments for 36 months, however, after the loan is sanctioned, the lender doesn't have to pay the EMI for the first month. The interest rate is determined depending upon the market rate.

2. Stree Shakti Package For Women Entrepreneurs

This scheme is offered by most of the SBI branches to women who have 50% share in the ownership of a firm or business and have taken part in the state agencies run Entrepreneurship Development Programmes (EDP).The scheme also offers a discounted rate of interest by 0.50% in case the amount of loan is more than ▪ 2 lakhs.

3. Bharatiya Mahila Bank Business Loan

This loan is a support system for budding women entrepreneurs looking to start new ventures in the fields of the retail sector, loan against property, MICRO loans, and SME loans. The maximum loan amount under this loan goes up to ▪ 20 crores in case of manufacturing industries and also a concession is available to the extent of 0.25% on the interest rate and interest rates usually range from 10.15% and higher. Additionally, under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), there is no requirement of collateral security for a loan of up to ▪ 1 crore.

4. Dena Shakti Scheme

This scheme is provided by Dena bank to those women entrepreneurs in the fields of agriculture, manufacturing, micro-credit, retail stores, or small enterprises; who are in need of financial assistance. The interest rate is also decreased by 0.25% along with the maximum loan amount being ▪ 20 lakhs for retail trade; education and housing whereas ▪ 50,000 under the microcredit.

5. Udyogini Scheme

This scheme is offered by Punjab and Sind Bank so as to provide women entrepreneurs involved in Agriculture, retail and small business enterprises to get loans for business at flexible terms and concessional interest rates. The maximum amount of loan under this scheme for women between the age bracket of 18-45 years is ▪ 1 lakhs but your family income is also taken into consideration and is set at ▪ 45,000 per annum for SC/ST women.

6. Cent Kalyani Scheme

Ths scheme is offered by the Central Bank of India with the aim of supporting women in starting a new venture or expanding or modifying an existing enterprise. This loan can be availed by women who are involved in village and cottage industries, micro, small and medium enterprises, self-employed women, agriculture and allied activities, retail trade, and government-sponsored programs.This scheme requires no collateral security or guarantor and charges no processing fees. And the maximum amount that can be granted under the scheme is Rs. 100 lakhs.

7. Mahila Udyam Nidhi Scheme

This scheme is launched by Punjab National Bank and aims at supporting the women entrepreneurs involved in the small scale industries by granting them soft loans that can be repaid over a period of 10 years. Under this scheme there are different plans for beauty parlors, day care centres, purchase of auto rickshaws, two-wheelers, cars, etc. the maximum amount granted under this scheme is ▪ 10 lakhs and the interest depends upon the market rates.

8. Mudra Yojana Scheme For Women

This scheme has been launched by the Govt. of India for individual women wanting to start small new enterprises and businesses like beauty parlors, tailoring units, tuition centres, etc. as well as a group of women wanting to start a venture together.

9. Orient Mahila Vikas Yojana Scheme

This scheme is provided by Oriental Bank of Commerce to those women who hold a 51% share capital individually or jointly in a proprietary concern. No collateral security is required for loans of ▪ 10 lakhs up to ▪ 25 lakhs in case of small-scale industries and the period of repayment is 7 years. A concession on the interest rate of up to 2% is given.

Initiatives and Steps taken by the Government

Development of women has been a policy objective of the government since independence.Until the 70s the concept of women‘s development was mainly welfare oriented. In 1970s, there was a shift from welfare approach to development approach that recognised the mutually reinforcing nature of the process of development. The First Five-Year Plan (1951-56) envisaged a number of welfare

measures for women. Establishment of the Central Social Welfare Board, organization of Mahila Mandals and the Community Development Programmes were a few steps in this direction. In the second Five-Year Plan (1956-61), the empowerment of women was closely linked with the overall approach of intensive agricultural development programmes. The Third and Fourth Five-Year Plans (1961-66 and 1969-74) supported female education as a major welfare measure. The Fifth Five- Year Plan (1974-79) emphasized training of women, who were in need of income and protection. The Sixth Five-Year Plan (1980-85) saw a definite shift from welfare to development. It recognized women‘s lack of access to resources as a critical factor impending their growth. The Seventh Five-Year Plan (1985-90) emphasized the need for gender equality and empowerment. For the first time, emphasis was placed upon qualitative aspects such as inculcation of confidence, generation of awareness with regards to rights and training in skills for better employment. The Eight Five-Year Plan (1992-97) focused on empowering women, especially at the Gross Roots Level, through Panchayati Raj Institutions. The Ninth Five-Year Plan (1997-2002) adopted a strategy of Women‘s Component Plan, under which not less than 30 percent of funds/ benefits were earmarked for women related sectors. The Tenth Five-Year Plan (2002-07) aims at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring Survival, Protection and Development of women and children through rights based approach. At present, the Government of India has over 27 schemes for women operated by different departments and ministries. Some of these are:

a. Prime Minister‘s Rojgar Yojana (PMRY)

b. Entrepreneurial Development programme (EDPs)

c. Management Development progammes

d. Women‘s Development Corporations (WDCs)

e. Marketing of Non-Farm Products of Rural Women (MAHIMA)

f. Assistance to Rural Women in Non-Farm Development (ARWIND) schemes

g. Trade Related Entrepreneurship Assistance and Development (TREAD)

h. Micro & Small Enterprises Cluster Development Programmes (MSE-CDP).

i. National Banks for Agriculture and Rural Development‘s Schemes

j. Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP)

k. Priyadarshini Project- A programme for _Rural Women Empowerment and Livelihood in Mid

Gangetic Plains‘

NABARD- KfW-SEWA Bank project

Exhibitions for women, under promotional package for Micro & Small enterprises approved by CCEA under marketing support the efforts of government and its different agencies are ably supplemented by NGOs that are playing an equally important role in facilitating women empowerment. Despite concerted efforts of governments and NGOs there are certain gaps. Of course we have come a long way in empowering women yet the future journey is difficult and demanding

Conclusion:

The women know all motivational techniques and tools which they apply almost daily on their family. This is extremely clear that women have all qualities which are required for managing any enterprise or business. In this regards The Government Should Take More Initiative to Light up Their Facilities or Schemes provided to the Women Entrepreneurs, The encouragement of women entrepreneurship has been carried out on various levels as well as from various from platforms. The skills enhancement through encouraging entrepreneurship results in empowerment of women which is prime need of our Nation. From last few years Government has taken necessary steps and creating awareness among women for Entrepreneurship. Entrepreneurship is the need of the hour emphasizing on educating women strata of population, spreading awareness and consciousness amongst women to outshine in the enterprise field, making them realize their strengths, and important position in the society and the great contribution they can make for their industry as well as the entire economy.

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KNOWLEDGE CAPITAL - A NEW MILESTONE FOR HR ACCOUNTING

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ABSTRACT :

This paper has been presented for "knowledge capital". In this paper researchers highlighted history of knowledge capital, its definitions and some terminology like knowledge worker and knowledge management and also tried to justify necessity of knowledge capital. Now a day's company using knowledge as a capital so how they create knowledge as a capital and also show the calculation of knowledge with the example of Abbott laboratories. Due to the more awareness about the knowledge capital, it is growing and researchers show how it is growing in compare -to - overhead assets. The knowledge capital is more useful as a software company and that's why the graph of U.S. based bank which spending dollar in information technology is taken. Bright future of knowledge capital in" knowledge capital - 21st century leverage" can be seen.

INTRODUCTION

The individual's point of view

Think for a minute that you hire an untrained person who meets entry-level requirements, such as literacy, a work ethic, and socially acceptable behavior traits. His or her wage will be based on prevailing wage rates for entry-level skills.

Ten years later, that person becomes a manager or expert, earning three times the entry-level wages. How does a firm justify spending three times more on the identical person?

The accumulation of company-specific knowledge explains the difference. During those 10 years, the organization invested anywhere from a year's to several years' worth of salary in helping the employee to function more effectively. Hardly any of that expense shows up as a direct cost.

Most of it is in the form of attending meetings, having phone conversations, keeping up with company gossip, and making errors that, if corrected, can be charged to learning. None of that contributes to anything the customer is willing to pay for. Industrial engineers call such expense ``overhead." I call it money spent on an

accumulation of company-specific **Knowledge Capital**. If organizations spend their money well, employees with 10 years of accumulated knowledge will be worth more than what the company pays them. In that way, the company will be recovering the investment on its **Knowledge Capital** as incremental profits.

Let us look at the same situation from the standpoint of the employee. To increase their earning capacity, employees count on the company to invest in developing their skills beyond whatever investments they make on their own, such as reading books, attending courses, and getting involved in professional activities. However, working for the company consumes most of the time available to do this.

Therefore, the best hope for rising one's earning potential is what shows up on the résumé as experience that is not company-specific. All employees hope to acquire marketable knowledge that has a greater value than their compensation. If that happens, the employees will be able to recover their investments in knowledge by getting promoted to higher-paying positions. If that does not happen, they can hope to find better-paying employment elsewhere. They can then collect incremental profits on their knowledge assets in the form of the difference in the wage rate they could not get from their current employer.

If you replace the word ``software" wherever the word ``knowledge" was used above, you will find the statements to hold true, except that open systems software will increase the capacity for knowledge accumulation at a faster rate, whether seen from the standpoint of the firm or the employee. If a corporation's investment in people increases the value of people faster than their salaries, everybody gains. The corporation creates employee value-added. The employee acquires **Knowledge Capital** on which he or she can collect added income.

Tragedy occurs when none of the above works out. This is the case when the corporation practices and teaches obsolete skills. Then the employee is not marketable, except at depressed wages. The recent waves of layoffs from ``reengineering" have not increased unemployment among information workers.

They find other jobs, but with lower compensation. An aerospace engineer could end up as a manager of a copy shop, working 30 percent more hours for 40 percent less pay. It is possible to calculate the ``fair" price for the new compensation by writing off the engineer's accumulated Knowledge Capital in aerodynamics and structural design to zero.

The cost to develop information workers, which I define as an overhead expense for acquiring company-specific knowledge, is very often much greater than the depreciation of the fixed assets and greater than profits for most corporations. The time has come for enterprises to manage Knowledge Capital as perhaps their most significant asset.

The marketable knowledge information workers acquire during their lifetime is the only means to increase their earnings. The potential lifetime earning capacity of a recently graduated engineer, with a starting salary of Rs. 40,000 and real income growing at 4 percent per annum, is Rs.6 million. Without the added value from continually acquired knowledge, the lifetime earnings would be 67 percent less. This explains why it is necessary for individual information workers to start managing their own Knowledge Capital for maximum returns to themselves as well as to their employers.

The corporate point of view

The calculation of the management value-added makes it possible to count the worth of the people who possess the accumulated knowledge about a company. These are the carriers of Knowledge Capital. They are the people who leave the workplace every night, while storing in their heads knowledge acquired while receiving full pay. They possess something for which they have spent untold hours listening and talking, while delivering nothing of tangible value to paying customers. Their brains have become repositories of an accumulation of insights about ``how things work here'' - something that is often labeled with the vague expression ``company culture.'' Their heads carry a share of the company's Knowledge Capital, which makes them shareholders of the most important asset a firm owns, even though it never shows up on any financial reports. Every such shareholder of knowledge assets in fact becomes a manager, because information acquisition and information utilization are the essence of all managerial acts.

The term ``management'' is used here as applicable to every information activity that is not directly engaged in the generation of revenues. I define customers as the people from whom you collect cash. When some corporate staff unit declares that it caters to other staffers as ``customers,'' that is just a misnomer. They are overhead and therefore remain a part of ``management'' regardless of their claims.

If a new-hired factory worker spends half a day in general orientation and indoctrination meetings, he partakes in a managerial activity. The work of an executive secretary can be also seen as managerial, since this job involves information gathering, storage, and dissemination tasks. Meetings, training, consultations, giving advice, accounting, administration, interviewing, or correcting quality defects are by this definition all managerial functions, because if they were fully accounted for, they would be charged to ``overhead'' and not to direct costs of sales.

In a typical company, an average employee spends at least one-third of his or her time acquiring intra-company information that is unrelated to the delivery of goods or services. Employees in managerial and staff positions expend all of their time on tasks not directly related to the delivery of goods or services. More than 25 percent

of payroll dollars in an information-intensive enterprise, and well over 50 percent of the payroll dollars in most government agencies, are expended on information activities that should be recorded as managerial overhead.

This learning and talking and listening are expensive and reduce corporate profits. If that accumulation is ultimately convertible in greater productivity for the enterprise, then the expense was worth it by earning a return on the Knowledge Capital investment.

Consider the costs of managerial knowledge accumulated by an employee over a 10-year period. With full costs of employment at about Rs 300000 per annum, the decade-long exposure to managerial information would result in knowledge inputs costing about Rs 7500000. What would be then the measurable outputs from all of that accumulated knowledge?

Literature review

Sveiby and Lloyd (1987) were the first to define knowledge capital as a micro-level concept by categorizing it into human capital (the education and experience of workers), structural capital (ability to organize) and relationship capital (stakeholder relations).

Stahle, Stahle and Aho (2011) have conducted an extensive study on the measurement method and show that the summed total results are not relevant, even though the individual parts of the model have a rational foundation. Even if the sum structure of VAIC (Value Added Intellectual Coefficient) is questionable, it is justified to presume that the amount of knowledge capital in a firm has a direct effect on its economic performance.

Pfeffer & Sutton (1999) argue that the knowledge-doing gap (translating knowledge into action) is at least as important as accumulating knowledge in the first place. In other words, attending to the conditions under which people are prepared to share and act upon their knowledge is a major component of human capital management.

Calculating Knowledge Capital

The management value-added has been previously shown as the net result of all managerial activities. Management value-added is the net surplus economic value created by the firm, since the suppliers, the tax authorities, all labor, and all shareholder expenses are already fully accounted for.

The creation of management value-added is something that defies the laws of conservation of energy. These laws state that the output of any system in the universe can never be greater than its input. Delivering a positive management value-added must be therefore an act of creativity that springs forth from something that is intangible, as if it were an artistic conception. The source of this creative

energy is Knowledge Capital. This ephemeral element can be quantified only indirectly by observing how much management value-added it yields.

Another way of looking at the same phenomenon is to infer the value of Knowledge Capital from its periodic yield. If management value-added is the interest earned from an accumulation of knowledge residing with the firm, then the value of this principal can be calculated by dividing the management value-added by the price one pays for such capital.

Mergers and acquisitions of companies have made the pricing of all capital explicit.[2] The Standard & Poor's 500 companies, which account for approximately 70 percent of the value of all public traded U.S. companies, had fixed assets worth an estimated $1.2 trillion at year-end 1995, while showing a market value of $4.6 trillion.

This suggests that there are intangible assets, generally acknowledged to be the knowledge assets of a firm, approaching $3.4 trillion. These assets require a better understanding.

Valuation Attempts

Over the last two decades, numerous attempts have been made to find ways of reflecting these intangible knowledge assets on financial reports. Perhaps the best-known firm that publishes supplemental financial reports on its intangible assets is Sweden's Skandia Insurance Company. It accounts for its intellectual capital by documenting assets not recognized by generally accepted accounting practices. This is accomplished by issuing a supplementary report unconnected with the official financial statement.

The supplement includes a valuation of Skandia's computer systems, experience with work processes, trademarks, customer lists, and an assessment of employee competence.

Unfortunately, the attempts to assign a valuation to software assets, trademarks, experience, and employee know-how have thus far run into the difficult problem of pricing such assets. It is now widely understood that the costs of acquiring knowledge and the profit-generation potentials of such knowledge are unrelated.

The value of intellectual property is in its use, not in its costs. This means that it is only worth what a customer is willing to pay for it. Two movies made with the identical actors, for the same $50 million budget, will have totally different valuations if audiences like one but not the other. The same applies to software, new ventures, inventions, and employee training. This is why the numerous attempts that have been made to report the intellectual property of a firm on its balance sheet have faltered.

Knowledge assets become reflected in the financial accounts only after there is a merger or acquisition at substantial premiums over book value. When that happens, such assets become identified by the no descriptive phrase allowance for good will. Thereupon they become subject to depreciation accounting exactly as if they were tangible equipment.

It seems to me that if companies were allowed to record their Knowledge Capital in the valuation of their shareholder equity as a matter of accounting routine, many of the inconsistencies that currently show up in accounting and tax treatment of company valuation would vanish.

Market pricing of Knowledge Capital

It is the risk-adjusted interest in future earnings, in excess of the cost of capital, that an investor is willing to pay for as the value of any intangible assets. Since investors cannot differentiate between the price of capital for financial or knowledge investments because they are intermingled, I use the same price for all capital as a first approximation. This yields a simple equation:

Knowledge Capital = management value-added / price of capital

This relation makes it possible to prepare a revised balance sheet for any firm, by adding a line item Knowledge Capital on the asset side of the ledger, and by increasing (or decreasing) the reported valuation of shareholder equity by the identical amount.

An Example of Knowledge Capital Valuation: Abbott Laboratories

Abbott Laboratories is an example of a company that has successfully kept accumulating Knowledge Capital faster than equity capital. It has a stock market valuation that is a large multiple of its financial assets. The earning capacity of Abbott Laboratories and its productivity are gaining not because the company is hoarding financial assets, but because it is using the capabilities of employees more effectively.

A great deal of investment analysis is concerned with indicators such as the market-to-book ratios, where the term ``book value'' refers to the shareholder equity. Stocks are overvalued if the market value of shares rises materially above a trend line for the book values. However, if one adds the valuation of Knowledge Capital to the valuation of equity capital, the market valuation of a firm such as Abbott Laboratories will turn out to be not only consistent over an extended time period, but also rationally explainable.

I have analyzed a number of corporations using this method and found that adding Knowledge Capital to book value equity capital shows a good correlation with the prices investors are willing to pay for shares of information-intensive enterprises.

How to grow Knowledge Capital

One can view Knowledge Capital as the result of a stream of expenses that have helped an organization to become more effective over a period of many years. Meetings are not necessarily wasted, because they may contribute to greater employee awareness. Training is useful if it is put to good use by making it possible to reach higher levels of quality and productivity. Software can become immortal if it is not discarded but instead reused over and over again.

Almost everything that counts as an accumulation of knowledge is usually paid for and written off as an overhead expense and charged against current profits. This decreases profits, increases expenses, and diminishes Return-on-Management unless management sets out deliberately to treat all overhead expense as a potential investment in Knowledge Capital.

Managers should therefore monitor what portion of their sales, general, and administrative (SG&A) expenses, plus research and development (R&D) costs, is frittered away as a one-time happening and how much of it can be seen as an asset with a residual value.

In the case of Abbott Laboratories, that is an important question, since more than a half of its stock value is derived from its gains in Knowledge Capital. The answer can be found in computing the firm's overhead-to-asset conversion efficiency.

The 10-year sum of all SG&A expenses for Abbott Laboratories is $18.9 billion. During that period, Knowledge Capital has grown by $8.6 billion. This defines the overhead-to-asset conversion efficiency as 44.3 percent. It means that slightly less than a half of overhead expenses have been well expended for the benefit of long-term utility. A way of displaying this steady trend is shown in Figure 1.

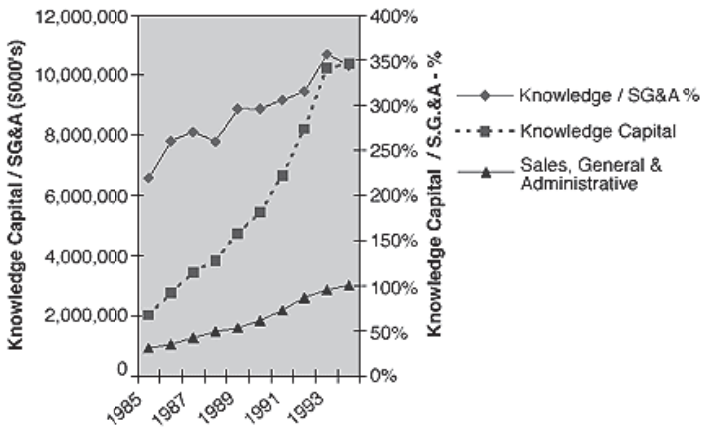

Figure 1: Abbott Laboratories' rising overhead-to-asset conversion effiency

Abbott Laboratories has succeeded in generating Knowledge Capital faster than its SG&A plus R&D expenses. This firm is highly profitable because its accumulated knowledge can be reapplied without further expense. Its current SG&A plus R&D is

indeed lower than most of its competitors', because the company does not have to pay for all of it in every fiscal year. It recycles SG&A plus R&D at a very low cost, which saves on expenses and increases the value of each employee. This is why ``knowledge recycling" may become the next management buzzword.

I have analyzed the overhead-to-asset conversion efficiency of hundreds of companies and found that a surprising number of companies suffer from negative conversion efficiency. As they cut SG&A and R&D during reengineering, their long-term Return-on-Management declines because their attrition of Knowledge Capital proceeds at a faster rate than the savings generated from wholesale dismissals of people. There seems to be a trade-off between indiscriminate cost-cutting and the demoralization of valuable employees that leads to a suicidal death spiral.

One of the most efficient instances of overhead-to-asset conversion efficiency is Microsoft. In the period from 1986 through 1995, the company gained $8.3 billion in Knowledge Capital while expending only $10.5 billion for SG&A plus R&D.

To explain Microsoft's extraordinary overhead-to-asset conversion efficiency of 79 percent, one has to understand that Knowledge Capital does not need to reside exclusively in the heads of employees. It also occupies the mindshare of customers who have expended their own time and money to become habituated to Microsoft products.

Software as Knowledge Capital

Over 40 percent of all computer budgets is expended on software ``maintenance." This involves continuous refurbishing of old programs. It consumes large amounts of money to repair poorly designed and badly organized translations of business processes into software code.

An additional 10 percent of all computer budgets is expended on new projects. A close examination of proposals will show that much of the financial justification for starting anew is to reduce expenditures for maintenance.

If someone would try to sell a house that requires an annual upkeep equal to a half of the purchase price, nobody would buy it. A rapidly deteriorating capital asset is not worth much. Yet the very high ratio of life-cycle maintenance costs to the original acquisition cost demonstrates that today's application software is one of the flimsiest artifacts that management will ever buy.

The idea of constructing software to qualify as a high-residual value, low-maintenance capital asset has never been accepted. As Howard Rubin has put it, ``If CIO’s were judged the way CFOs are, they would be in big trouble because they do not know what are their assets."

In a survey of 2,000 firms, not more than 80 percent had any idea of the size and quality of their software portfolio. This means that a big part of the millions of lines of code they own is poorly utilized. It is clear that software managers do not have the incentives to invest in an architecture that is survivable in the long run. The computer people, the vendors, and the consultants also prefer whatever is new, fashionable, and quick.

The reason for the flimsiness of application software can be found in the lack of understanding by most executives that software has become an increasingly significant store of a corporation's Knowledge Capital.

While a comptroller may question the reasons for getting rid of old forklift trucks, software will be written off without any examination as to its reuse. Software expenses are now wasted because management uncritically accepts the view that software is largely unrecoverable every time technology, the organization, or business practices experience major changes.

The existing methods of accounting do not recognize that, for most corporations, the accumulation of expenditures for software over a 10-year period will exceed the value of shareholder equity in about 30 percent of cases. As long as software is treated as an expense that must realize short-term returns, corporations will be paying many times over for software that performs similar business functions without the benefit of any reuse.

Software asset management is perhaps one of the most exciting new opportunities for accelerating the accumulation of Knowledge Capital, because it represents an encapsulation of accumulated expert knowledge that can be purchased in the open market at a fraction of its original cost. Software should be seen as one of the best means for accumulating and preserving an enormous amount of information about the ways a corporation functions.

It should be recognized as a knowledge asset so that it can be managed as something that keeps growing in value steadily, reliably, and safely. It must be designed for evolutionary growth instead of keeping it alive by patching it up until such time as a sudden convulsion makes it necessary to replace it without much delay.

Management must insist that applications software be preserved by means of technical designs that accommodate rapid changes in computer technologies. Management should demand delivery of software applications that take advantage of innovations in operating systems, adapt to revisions in organization structure, and take advantage of any streamlining of business practices. Much of the attraction of the recently introduced Java language may have its origins in the general perception that elements of all computer applications should be reusable by making them

capable of running on any computer, on any operating system, in any network environment.

Insights

If a company scraps 100 forklift trucks before they are depreciated, that will be recorded as a loss. If 1,000 employees with career-life learning costs of at least $150 million leave a corporation, none of the financial reports will reflect that. When knowledgeable employees leave, they are written off as having no value, even though during their years of employment the corporation paid for all of the knowledge they acquired on the job.

The existing methods and concepts of accounting, budgeting, and planning are biased against anything that is not a tangible asset. No wonder that many prior attempts to calculate the productivity of ``information'' have foundered on the reluctance of the current stakeholders to be subjected to the sort of measurements that were previously reserved only for the laboring classes.

Why industrial-era accounting methods have been maintained in the present information age is for students of corporate power politics to debate.[6] It should suffice to remind us that when industrialization induced a shift from the extraction of funds from feudal land possessions to earning profits on invested capital, most of the assumptions about how to measure performance had to change. When the expenses for acquiring information capabilities cease to be an arbitrary budget allocation and become the means for gaining Knowledge Capital, much of what is presently accepted as management of information will have to shift from a largely technological view of efficiency to an asset management perspective.

Analysis of corporate financial statements now shows conclusively that effective information management could have a greater impact on overall corporate performance than efficient financial management. The shift of resources from financial to information-based assets has been noticed. ``Knowledge'' courses and conferences are the rage. Even prestige firms such as McKinsey & Company now feature a ``director of knowledge management'' and a ``director of knowledge development.''

The two-hundred-year dominance of financial capital in establishing the market value of corporations is now history. The era of the overwhelming importance of information management has arrived. The information age is now a reality, because information management can now be planned, budgeted, and controlled as a corporate input and not merely as a technology investment.

Conclusion

Information-based strategies cannot be developed unless they are linked to measures of performance, yet traditional financial indicators offer little help in this regard. The dependence on traditional capital efficiency-based measures of performance is why information finds practically no place among the typical performance metrics examined by corporate executives, auditors, and investors. Yet accumulations of information and knowledge are implicitly recognized every day when companies are bought at a large multiple of their financial valuation. What's missing is a way of making information and knowledge an explicit measure of performance.

The time has come for those responsible for ``information management'' to rise to the challenge of placing the management of Knowledge Capital high on the agenda of every organization.

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A STUDY ON IMPACT OF LABOUR WELFARE MEASURES TOWARDS MOTIVATION LEVEL OF BLUE–COLLAR EMPLOYEES

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ABSTRACT :

The basic aim to carry out the study is to find out the labour welfare measures provided to the employees. From the study, we will come to know about the impact of inadequate welfare measures on employee absenteeism and attrition. The study is carried out by using the descriptive research design. Sample size is 150. The research has been conducted by using stratified random sampling method with structured questionnaire. After the study, it is found that inadequate welfare measures are not the reason behind employee absenteeism. But health problem, work environment, work life balance, etc are the causes of absenteeism. As far as employees' attrition is concerned, non availability of First Aid and Medical Facilities and Canteen Facilities lead to blue collar employees' attrition. Therefore, there is need to provide proper welfare facilities(both statutory and non-statutory) and work environment to workers, which has direct influence on social and economic development of the organization as well as nation.

Keywords*: Labour Welfare Measures, Absenteeism and Attrition, Motivation Level, Blue Collar Employees*

INTRODUCTION

The term Welfare simply means the health, happiness, and fortunes of a person or group. Labour Welfare means the voluntary efforts made by the employer to provide better conditions of employment in their own industries. Labour welfare should meet the basic requirements of workers. It should contribute to the productivity and efficiency of the workers. The main objective of labour welfare is to provide the better standard of living of the workers, by indirectly reducing the burden on their purse. An efficient, skilled and satisfied will be an asset for the organization. He will work enthusiastically and better results can be achieved. Labour is happy if his needs are fulfilled. The various labour welfare measures provided to the employees are infact an important and valuable investment.

As overall cement and chemical industries involve large numbers of men and women workers. The working environment in such industries is hazardous for their health. Due to this the absenteeism, rate of attrition and labour turnover is high. Also labour may suffer from disease and injuries. Therefore to overcome this problem, maintain healthy working conditions and to retain the employees, industries are offering various safety measures along with the various welfare facilities. That's why, in this research, the Saurashtra Cement Limited situated in Ranavav, Porbandar, Gujarat is selected to analyze the impact of Labour Welfare Measures towards motivation level of blue collar employees.

CONCEPT OF LABOUR WELFARE MEASURES

The total concept of welfare is that desirable state of existence involving the physical, mental and emotional well-being.

The relative concept of welfare implies that welfare is relative in time and place. It differs with time, region, level of education, social customs, political system, etc. Labour welfare implies the setting up of the minimum desirable standards and the provisions of facilities like health, clothing, housing, medical assistance, education, insurance, job security, recreation and so on. Such facilities enable the worker and his family to lead a good work life, family life and social life.

DEFINITIONS OF LABOUR WELFARE MEASURES

According to N. M. Joshi, "Welfare measures cover all the efforts which employers take for the benefit of their employees over and above the minimum standards of working conditions fixed by the Factories Act and over and above the provisions of the social legislation providing against accident, old age, unemployment and sickness."

According to Industrial Labour Organization (ILO),"Labour welfare measures may be understood and including such services, facilities and amenities which may be established in vicinity of undertaking to perform their work in healthy and congenial environment and to avail of facilities which improve their health and bring high morale."

LITERATURE REVIEW

1. "Cooperative Unionism and Employee Welfare" by Michael R. White (University of Westminster - Policy Studies Institute) Industrial Relations Journal, Vol. 36, No. 5, pp. 348-366, September 2005. Using British national survey data, thisarticleassessestheimpactofunionsonmanagementpracticestoreducelabour costs, implement high-performance work systems, and make employee welfare

provisions. Relative to non-union workplaces, those with unions are found to have practices which are consistent with 'mutual gains' outcomes.

2. “Provision Of Welfare Under Factories Act & Its Impact On Employee Satisfaction” by Parul P Bhati (Research scholar Karpagam University), Dr. Ashokkumar M (Professor & Head, Department of Management, Karpagam University) Journal of Business Management & Social Sciences Research (JBM&SSR) ISSN No: 2319-5614 Volume 2, No.2, February 2013. This paper studies the impact of Welfare Under Factories Act 1948 On Employee Satisfaction. For this researcher have taken the overviews of Engineering Industry. Researcher has measured the impact of welfare provisions on employee satisfaction by way of the correlation technique and also measured that whether any difference in terms of employee satisfaction towards welfare provision exists by way of using one way Annova test.

3. “A Study On Performance of Labour Welfare Measures of Indian Industries: An Overview” by Dr. A. Jebamalairaja (Associate Professor, Dept of Economics , Urumu Dhanalakshmi College, Trichy, Tamilnadu, India) R. Pichumani (Associate Professor, Dept of Economics , A.A.Govt. Arts College, Musiri, Trichy, Tamilnadu, India) IJMRR April 2012/ Volume 2/Issue 4/Article No-9/546-551 ISSN: 2249- 7196. In this article it is found out the labour-welfare measures adopted by various industries in India, analyzed the statutory and non-statutory measures of Industrial labour, effectiveness of these measures in morale building and in enhancing the productivity of the Organization, assess the social security measures at Industrial labours.

4. Labour Welfare Measures In Cement Industries In India (A Case Of KcpLimited, Cement Division, Macherla, Andhra Pradesh) by M. Rama Satyanarayana, Dr.R.Jayaprakash Reddy July 2012 IJPSS Volume 2, Issue 7 ISSN: 2249-5894. This study is undertaken to know the satisfaction levels of employees about labour welfare measures in KCP limited (Cement Division). After analyzing the whole data researcher has stated that the overall satisfaction levels of employees about welfare measures in the organization is satisfactory. However, a few are not satisfied with welfare measures provided by the organization. Therefore researcher hassuggestedthattheexistingwelfaremeasuresmaybeimprovedfurther.
Suchwelfare measures enrich the employees‟ standard of living and their satisfaction levels.

5. A Study On Absenteeism Among The Employees Of Textiles Industries, Coimbatore District By K.Vishnupriya, N.S.Suganya, P.Bhuvaneswari Sep 2012 IJMT Volume 2, Issue 9 ISSN: 2249-1058. This study is concerned with the issues, factors and causes related to absenteeism. In this study researcher

has found that, there exist a significant relation between absenteeism rate and the salary given and also there exist a relation between absenteeism rate and the age group of respondents. For improving the things researcher has given some suggestions like; the working conditions of the work place have to be improved. The regulations for availing leave are to be made stricter. The relations between the management and the employees should be increased for betterresults.

OBJECTIVES OF THE STUDY

1. To analyze the effectiveness of labour welfare on motivational level of blue collar employees at Cementindustry.
2. To evaluate the impact of welfare measures on the operational performance of employees.

METHODOLOGY

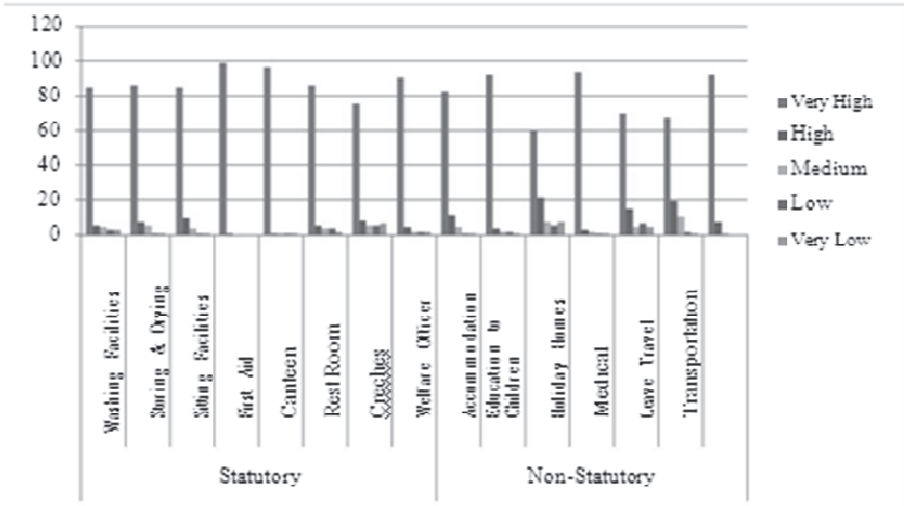
The nature of the study is descriptive research. Working blue collar employees from Cement industry from Ranavan, Porbandar, Gujarat area is sample unit for this research. The sample for the study is in total 150 numbers. Stratified Random Sampling method has been used for the study.

DATA COLLECTION ANDINFERENCES

A) Preference Given by Blue Collar Employees for Essentiality of Welfare Measures in future.

Sr. No.	Welfare Measures		Essentiality of Welfare Measures In Future (Percentage)				
			Employee Response				
			Very High	High	Medium	Low	Very Low
1	Statutory	Washing Facilities	84.95	5.30	4.42	2.65	2.65
2		Storing & Drying	85.84	7.07	5.30	0.88	0.88
3		Sitting Facilities	84.95	9.73	3.53	0.88	0.88
4		First Aid	99.11	0.88	0	0	0
5		Canteen	96.46	0.88	0.88	0.88	0.88
6		Rest Room	85.84	5.30	3.53	3.53	1.76
7		Creches	75.22	7.96	5.30	5.30	6.19
8		Welfare Officer	90.26	4.42	1.76	1.76	1.76
1		Accommodation	82.30	11.50	4.42	0.88	0.88
2		Education to Children	92.03	3.53	1.76	1.76	0.88

Sr. No.	Welfare Measures		Essentiality of Welfare Measures In Future (Percentage)				
			Employee Response				
			Very High	High	Medium	Low	Very Low
3	Non-Statutory	Holiday Homes	59.29	21.23	7.07	5.30	7.07
4		Medical	93.80	2.65	1.76	0.88	0.88
5		Leave Travel	69.91	15.04	4.42	6.19	4.42
6		Transportation	67.25	19.46	10.61	1.76	0.88
7		Uniforms	92.03	7.07	0.88	0	0



Inferences:

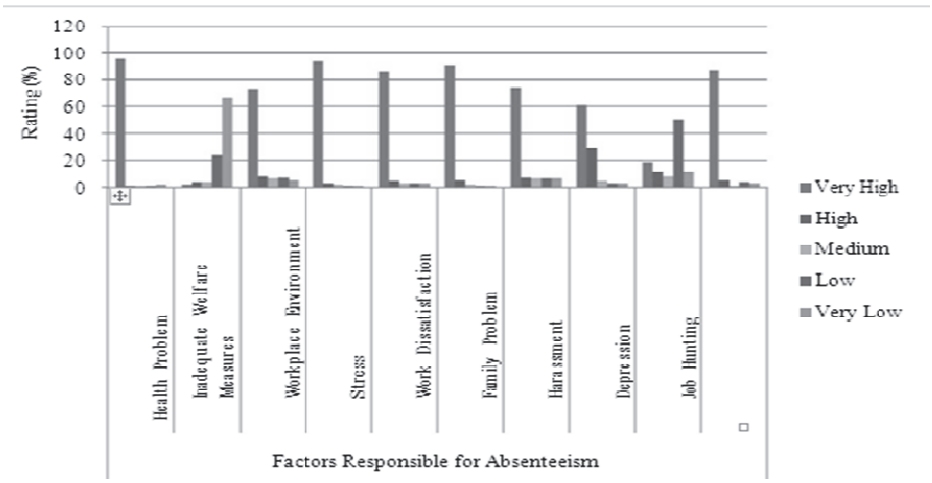
The above table and graph depict the opinion of blue collar employees for welfare measures that are essential and they would like to have these facilities in future also. Most of the blue collar employees i.e. 99.11%, 96.46%, 90.26%, 85.84%, 84.95%, 84.95%, & 84.95% have given very high preference to First Aid, Canteen, Welfare Officer, Storing and Drying Facilities, Washing Facilities, Sitting Facilities & Rest Room Facilities respectively.

As far as non statutory welfare measures are concerned blue collar employees that comprise of 93.80%, 92.03%, 92.03% and 82.30% have given very high preference to Medical, Education to Children, Uniforms and Accommodation respectively. Blue collar employees have given high preference to Holiday Home & Leave Travel also; medium preference is given to Transportation i.e 10.61% respondents. The reason behind this is that company does not give these facilities (Leave Travel, Holiday Homes & Transportation) to the blue collar employees. Hence, blue collar

employees do not bother about these & so only worry or focus on the routine facilities.

B) Rating of Various Factors Responsible for Absenteeism (Blue Collar Employee)

Sr. No	Factors Responsible for Absenteeism	Factors Responsible for Absenteeism (Percentage)				
		Opinion of Blue Collar Employee				
		Very High	High	Medium	Low	Very Low
1	Health Problem	95.57	0.88	0.88	0.88	1.76
2	Inadequate Welfare Measures	1.76	3.53	3.53	23.89	67.25
3	Workplace Environment	73.45	7.96	6.19	7.07	5.30
4	Stress	93.80	2.65	1.76	0.88	0.88
5	Work Dissatisfaction	86.72	4.42	2.65	2.65	2.65
6	Family Problem	91.15	5.30	1.76	0.88	0.88
7	Harassment	74.33	7.07	6.19	6.19	6.19
8	Depression	61.06	29.20	4.42	2.65	2.65
9	Job Hunting	18.58	11.50	7.96	50.44	11.50
10	Partial Shifts	87.61	5.30	0.88	3.53	2.65



Inferences:

The above table and graph shows that, for blue collar employees 95.57%, 93.80%, 91.15% & 87.61, Health Problem, Stress, Family Problem and Partial Shifts are the

major causes of absenteeism respectively. The reason behind this is that blue collar employee's deal with actual manufacturing process. They work on heavy machinery, so they face health problems and are stressed due to unhealthy workplace environment. 67.25% blue collar employees responded that inadequate welfare measure does not lead toabsenteeism.

FINDINGS

1. Almost all blue collar employees are getting statutory and non-statutory welfare measures except leave travel and holiday home for blue collar and non availability of welfareofficer.
2. An inadequate welfare measure doesn't have an impact on absenteeism of blue collaremployee.
3. There is less attrition on part of employees as proper welfare measures are provided.
4. It is found that non availability of first aid and medical facilities are responsible reasons for blue collar employees' attrition in the company.

CONCLUSION

Every organization provides the statutory welfare measures but some organization provides some more welfare facilities to the employees so that they may retain the employees and their quality of work life. By the result of increased quality of work life among the employees they get satisfaction in their personal and professional life. An organization could see the reflection of these things in increased productivity. As far as cement industry is concerned welfare measures are very much essential because the workplace environment in the cement industry is hazardous and it directly affects workers health. Therefore it leads to absenteeism and attrition. To overcome employees' attrition ratio, organization must provide proper welfare facilities. As a result of this, organizations will definitely achieve their goals & objective effectively and efficiently.

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GOOD INCOME IS THE INITIATING FACTOR FOR GOOD OUTCOME IN THE PERFORMANCE OF EMPLOYEES WITH REGARDS TO TEACHING FACULTIES OF SAURASHTRA REGION

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ABSTRACT :

The study shows the positive relationship between income level and performance of the employee. As the income of the employee increases, it motivates the employees to do work more effectively and efficiently, which increases the performance of individual. This study basically covers the college staff as a sample. Teachers have always portrayed lack of devotion in their work places. This is evident in their instability in the teaching profession and low morale in performing their teaching tasks and hence unsatisfactory performance. Poor remuneration has often been given as a cause of low morale among teaching faculties thus leading to poor performance or resign. The problem of inadequate compensation makes the teachers dissatisfied, thus leaving the profession to other well or better paying jobs. The study adopted descriptive survey design. Based on the findings the study concluded that fair compensation has an effect on faculty's performance this is because the compensation policy in place demoralizes the professors, does not enhance task performance and negatively affects the productivity of the faculties in the colleges.

Keywords: *Compensation, Financial rewards; Non-financial rewards; job performance*

INTRODUCTION

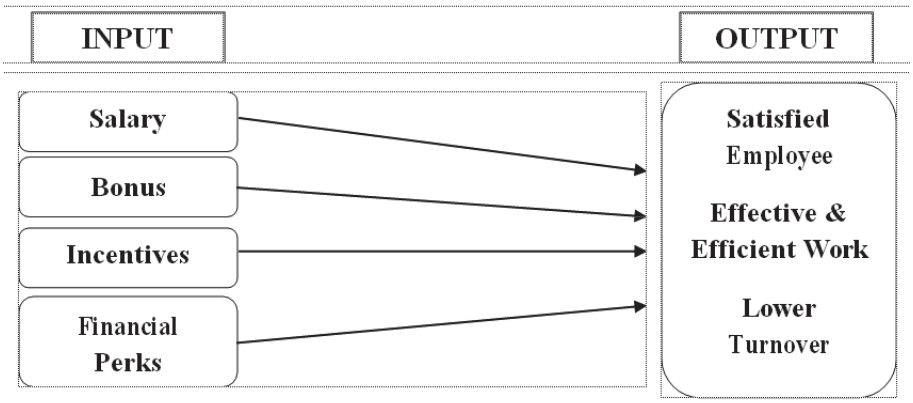
Reward is important for any employee. Reward generally shows that employees are doing their job in a good manner. It works as a motivational tool for employees. There are mainly two types of rewards: monetary or financial reward and non-monetary or non-financial reward. It is also used to increase the performance of the employee. Performance of employee in an organization is important to achieving the organizational goal. There are so much changes occurring in education system., and to adopt change is not all time easy for employee, so at that time reward plays an important role for employee. It helps the employee to work efficiently and effectively. Management use rewards to check the performance of the employee. Effective reward system helps to increase the performance of the employee and it

also decreases the turnover ratio in the organization, because non attractive reward sometimes maybe the reason for the employee to left the job.

There is a strong connection between reward and employee performance. Reward increases the efficiency of the worker, increased efficiency leads to better output, and better output increases the job satisfaction, and satisfied employee will never left the organization so overall it decreases the turnover ratio of the employee. So it creates healthy working condition for the employee.

Out of two types of rewards, some faculties may need financial reward and some may need non financial reward such as responsibility of particular task, allocation of important work, assigned some projects, leadership etc. in this way, faculties feel that they are being valued by the top management and management is seriously involved in growth and development of the faculties. Different employees have different needs about reward. Some employee may prefer cash as reward because they can fulfill their need by financial reward, while other may require non financial reward such as promotion, appreciation, holiday package or any other.

Thus, the organization needs to focus on both types of rewards. Every faculty has their own preferences regarding the rewards. So, the director or the principal have to select right categories of reward to satisfy the individual needs.



Problem Statement:

Good Income is the Initiating Factor for Good Outcome in the Performance of Employees with regards to teaching faculties of Saurashtra Region.

Objective:

The main aim of the study is to find out the relationship between reward and employee performance. It shows the result of how reward affects the performance of employee.

Secondary objective of the study is to examine the role of income as the motivator to create better output of the employee. It means income factor positively affects the outcome of the employee.

Literature Review:

Reward in the organization represents the value of the employee and creates the different identity of the individual and of their work also. Lack of reward creates unpleasant environment which affects the employee morale, output and ultimately to the organizational goal. Thus, the importance of rewards increasingly day by day as it retains and attracts the employee.

Lazear (1986), Performance related pay directly impact the workers performance creating the output through pay and workers are able to give more pay structure according to the performance.

Dee prose (1994), says that motivation of employee productivity can be enhance provide effective recognition which provide the result improve the performance of organization.

Suesi (2002), The rewards may be cash, recognition both to be acceptable that to achieve the forgets they are performance is well rewards is the key motive to increase the employee performance to expected well

Millvier and newman (2005), research accomplished that may be form of individual and may be form of multiple performance pay plan different, qualities can consider the efficiency of degree to perform merit pay to performance and bonus long incentives ,first of all merit pay is form of reward and individual function of their individuals performance and rating.

Heneman (2005), there are several factors that have influence on employee performance such as working conditions, job security, relationship between employer and worker, training and development, employees rewarding policies, etc.

Bandied et al (2007), the relation of pay and performance is directly Connecting worker has a fixed pay in a period of time and give incentive for their good performance, the pay for shorter term incentive give the power job shorter oriented

Charity Tinofirei (2009), Performance means the degree of completion of an employee‟s task or given objective. “Performance is associated with quantity of output, quality of output, and timeliness of output, presence / attendance on the job, efficiency of the work completed and effectiveness of work completed”

Dewhurst et al (2010), Reward is the most important element to eliminate employee for paying their best efforts to generate the innovation and the new ideas in cress the company performance financial and non-financial.

Research Methodology:

- Research design : Descriptive Research design
- Sources of Data : Primary Data & Secondary Data

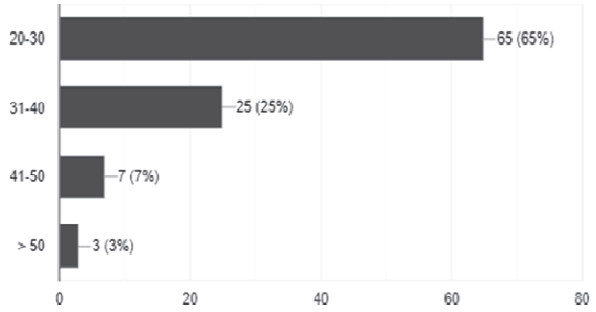
- Data Collection Tool : Questionnaire
- Targeted Population : Teaching Faculties
- Sample Size : 100 Samples
- Sample Area : Saurashtra Region
- Sampling Method : Convenient Sampling
- Presentation Tool : Pie Chart & Bar Chart

Data Analysis & Interpretation:

1. Personal Profile:

AGE

Age	No. of Respondents	% of Respondents
20 - 30	65	65
31 – 40	25	25
41 – 50	07	07
>50	03	03

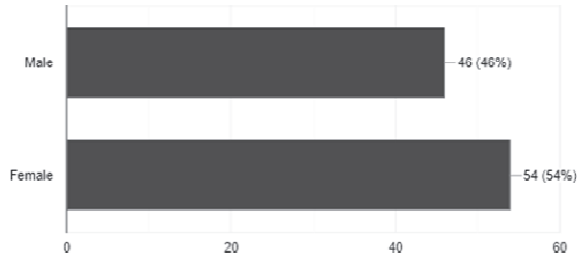


Interpretation:

From the chart I can conclude that out of total respondents, 65 respondents are between 20-30, 25 are between 31- 40, 07 are between 41-50 and 03 respondents are 50 up.

GENDER

Gender	No. of Respondents	% of Respondents
Male	46	46
Female	54	54

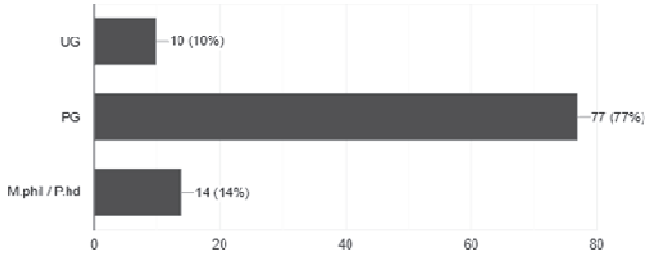


Interpretation:

From the chart I can conclude that out of total respondents 46 respondents are male, where 54 are female.

EDUCATIONAL QUALIFICATION

Educational Qualification	No. of Respondents	% of Respondents
UG	10	10
PG	77	77
M.Phil / P.hd	14	14

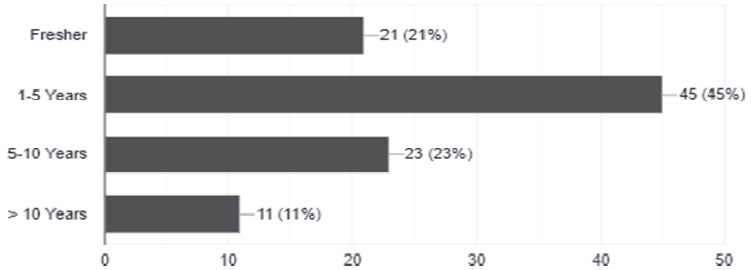


Interpretation:

From the chart I can conclude that out of total respondents, 77 respondents are Post Graduate and 14 are M.phil/P.hd qualified.

TEACHING EXPERIENCE

Teaching Experience	No. of Respondents	% of Respondents
Fresher	21	21
1-5 Years	45	45
5-10 Years	23	23
>10 Years	11	11

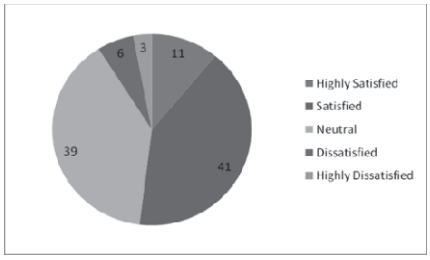


Interpretation:

Out of 100 respondents, 45 respondents have teaching experience of 1-5 years, 23 have a experience of 5-10 years, 21 faculties are freshers and remaining 11 have teaching experience of more than 10 years.

2. Are you satisfied with your take home pay?

Particular	No. of Respondents	% of Respondents
Highly Satisfied	11	11
Satisfied	41	41
Neutral	39	39
Dissatisfied	06	06
Highly Dissatisfied	03	03

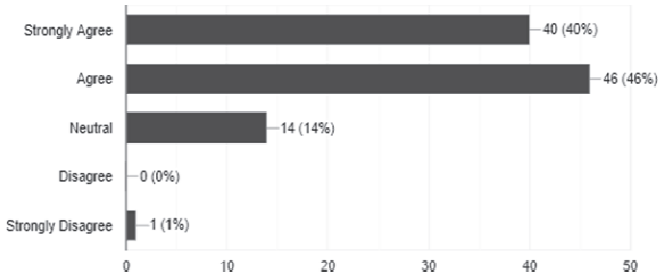


Interpretation:

From the chart I can conclude that out of total respondents, 41 respondents are satisfied with their take home pay, less no of respondents that is 3 respondents are highly dissatisfied with their take home pay.

3. Do you agree that the handsome payment package have impact on outcome?

Particular	No. of Respondents	% of Respondents
Strongly Agree	40	40
Agree	46	46
Neutral	14	14
Disagree	00	00
Strongly Disagree	01	01

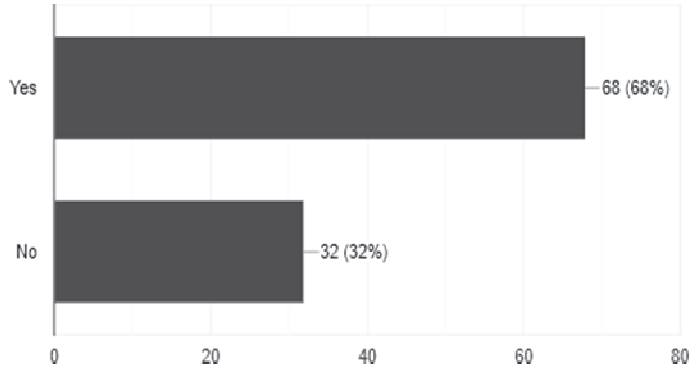


Interpretation:

Out of 100 respondents, nearer to 50% respondents believes that handsome payment package have an impact on outcome. And only 1 respondent is disagree with this statement.

4. Does your income relate to the position you hold?

Particular	No. of Respondents	% of Respondents
Yes	68	68
No	32	32

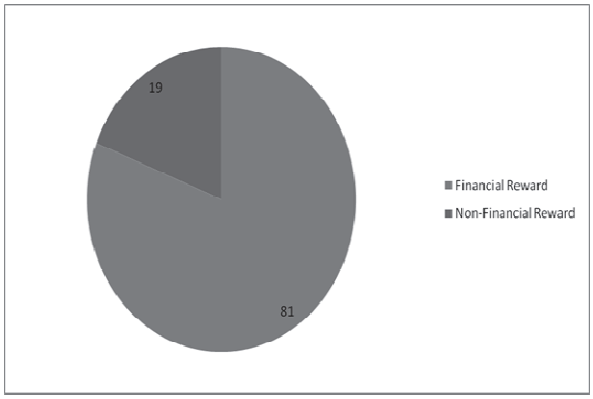


Interpretation:

From the chart I came to know that out of 100 respondents, more than 50% that is 68 respondents believes that their income are according to the position they hold. And remaining 32 respondents believes that their income and position does not match.

5. Which reward is more important for employee to motivate?

Particular	**No. of Respondents**	**% of Respondents**
Financial Reward	81	81
Non-Financial Reward	19	19
Others	00	00

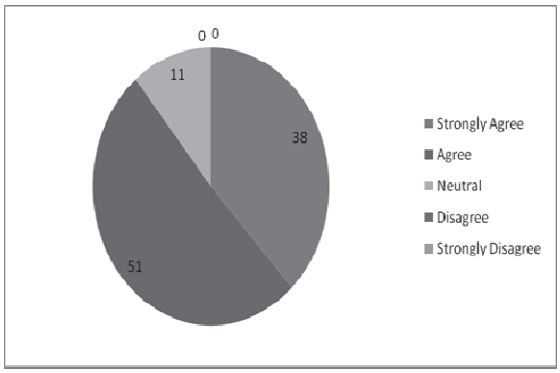


Interpretation:

From the chart I can conclude that out of 100 respondents, more than 80% that is 81 respondents prefer financial reward as a motivation tool and remaining 19 respondents believe that non-financial rewards are more important for motivation.

6. Do you agree with the statement that an effective wage system holds a direct relationship with the working environment within a firm?

Particular	No. of Respondents	% of Respondents
Strongly Agree	38	38
Agree	51	51
Neutral	11	11
Disagree	0	0
Strongly Disagree	0	0

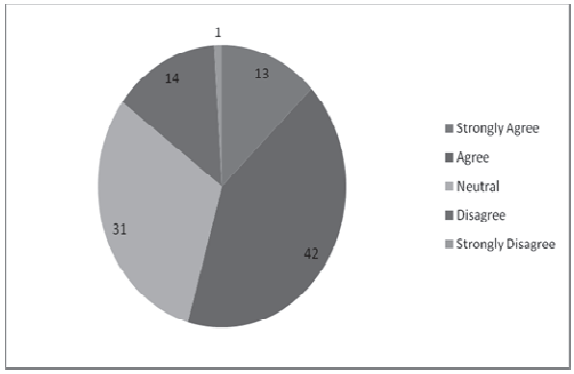


Interpretation:

From the chart I can conclude that out of 100 respondents, 51 respondents are agree with the statement that an effective wage system holds a direct relationship with the working environment within a firm.

7. Are you been paid according to the workload assign to you?

Particular	No. of Respondents	% of Respondents
Strongly Agree	13	13
Agree	42	42
Neutral	31	31
Disagree	14	14
Strongly Disagree	01	01

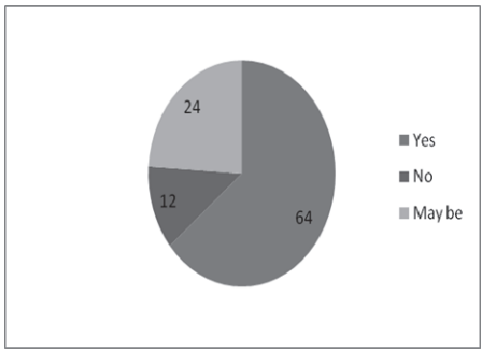


Interpretation:

From the chart I came to know that out of total respondents, 42 respondents are agree that they are been paid according to the workload assign to them, only few respondents are disagree with this.

8. Any other extra work assign to you apart from your regular duty?

Particular	No. of Respondents	% of Respondents
Yes	64	64
No	12	12
May be	24	24

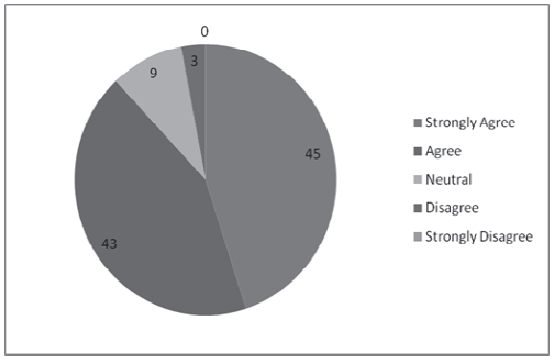


Interpretation:

Out of 100 respondents, 64 responds that extra work have been assigned to them which is apart from their regular duty, and 12 respondents says that they are doing only their regular work, no other task is allocated to them.

9. Do you believe that higher pay will increase your efficiency & effectiveness?

Particular	No. of Respondents	% of Respondents
Strongly Agree	45	45
Agree	43	43
Neutral	09	09
Disagree	03	03
Strongly Disagree	00	00



Interpretation:

From the chart, I can conclude that most of respondents (almost 50%) believe that higher pay affect their outcome, means it will increase the efficiency and effectiveness of the employee.

10. Which type of positive impact is observed of good payment on employee performance?

Particular	No. of Respondents
Keeps more employee	26
Lower turnover	41
To achieve the target goals	40
Positive deviation in performance	41
Others	03

Findings:

The above research work shows the data and result collected from the teaching faculty. Research work highlights the relationship between good income and its effect on outcome.

From the survey, I came to know that out of 100 respondents, 41 are satisfied with their take home pay.

Average 50% respondents believe that handsome payment package have an impact on the outcome of the employees.

68% of respondents that means most of faculties believe that they earn according to the position they hold in a particular organization.

Both rewards (Financial & Non-financial) are important for employee. But according to the survey, I came to know that almost employee prefer financial reward as a part of their income.

From the collected data, I can conclude that an effective wage system holds a direct relationship with the working environment of a firm.

Out of total respondents, 42% responds that they have been paid according to their work load or task assign to them. It means employees are satisfied with the income they get.

64% respondents believe that they are assigned assign extra work apart from their regular duty, which may sometimes decrease the morale of the employee.

From the collected data, I can say that mostly employees believe that higher pay will affect the efficiency and effectiveness of employee. It motivates them to work better.

Research shows that good payment or good income of the employee has a positive impact on the performance of employee. It helps to maintain and retain the employees. It decreases the absenteeism ratio. Motivate employee to work effectively. And ultimately helps in achieving organizational goal.

Conclusion:

The study concludes that reward has a positive impact on employee performance. It influences the employee to work well. It attracts new employee and maintain the existing workers. Overall conclusion of the study is, there is a direct relationship between reward and employee performance. If management satisfies the employee through good income, employees give it back to the management by creating good outcome. This outcome and satisfaction directly or indirectly affects the goal and goodwill of the organization. So, now a days all organization is following a reward system so as to increase job satisfaction and to create job satisfaction.

Annexure:

1. Name :
2. Age of respondent : A) 20-30 B) 31-40
   c) 41-50 D) >50
3. Gender of respondent : A) Male B) Female
4. Educational Qualification: A) UG B) PG C) M.Phil/P.hd
5. Teaching Experiemce : A) Fresher B) 1-5 Years
   C) 5-10 Years D) >10 Years
6. Are you satisfied with your take home pay?
   A) Highly satisfied B) Satisfied C) Neutral
   D) Dissatisfied E) Highly dissatisfied
7. Do you agree that the handsome payment package have impact on outcome?
   A) Strongly agree B) agree C) Neutral
   D) Disagree E) Strongly disagree
8. Does your income relate to the position you hold?
   A) Yes B) No
9. Which reward is more important for employee to motivate?
   A) Financial Reward B) Non-financial Reward C) Others

10. Do you agree with the statement that an effective wage system holds a direct relationship with the working environment within a firm?

    A) Strongly agree B) agree C) Neutral

    D) Disagree E) Strongly disagree

11. Are you been paid according to the workload assign to you?

    A) Strongly agree B) agree C) Neutral

    D) Disagree E) Strongly disagree

12. Any other extra work assign to you apart from your regular duty?

    A) Yes B) No C) May be

13. Do you believe that higher pay will increase your efficiency & effectiveness?

    A) Strongly agree B) agree C) Neutral

    D) Disagree E) Strongly disagree

14. Which type of positive impact is observed of good payment on employee performance?

    A) Keeps more employee B) Lower turnover

    C) To achieve the target goals D) Positive deviation in performance

E) Others..

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MOTIVATIONAL FACTORS IMPACTING HUMAN RECOURSE IN BANKING SECTOR

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ABSTRACT :

Being valuable and scarce capabilities, human resources are considered as a sourceof sustainable competitive advantage. The success of an organization depends upon several factors but the most crucial factor that affects the organization performance is its employees. In current era of highly volatile business environment organizations are facing emerging challenges in form of acquisition and optimization of human resource. Human resources play an integral role in achieving an innovative and high-quality product/ service. If the employees of an organization are satisfied with their jobs, the organization can achieve its goals very straightforwardly. This research study motivational factors influencing the employees of public and private sector banks

Keywords*: Employee Motivational Factors, Public Sector Banks, Private Sector Banks*

I. INTRODUCTION

Almost all banks serve their operations through branch banking system. Virtually, we know that a bank is a labor intensive service organization. Banking is a highly competitive sector all over the world and the situation is not an exception in India. Banking sector has witnessed a rapid growth in the last decade and because of this growth, the demand for experienced and skilled human resources has increased in manifold (Mizan, et. al., 2013). To maintain efficiency and competitive service, banks must retain experienced and capable personnel. Attracting new competent people and retention of existing personnel may come from sound administrative policy, consistent HR practices, employee job satisfaction and organizational commitment (Ahmad & Schroeder 2003; Khera 2010; Sarker 2011;

II. Literature Review:

The role of facilitating quality subordinate-superior communication at various levels effectively employing a wide range of communication channels has been praised by Shields (2007) in terms of its positive contribution in boosting employee morale. Shields (2007) stresses two specific advantages of such a practice that relate to offering employees a chance to raise their concerns and put across their points

regarding various aspects of their jobs, as well as, supplying them with the feeling of engagement and appreciation.

According to Lockley (2012) offering training and development programs that effectively contributes to personal and professional growth of individuals is another effective employee motivation strategy. At the same time, Lockley (2012) warns

that in order for motivational aspects of training and development initiatives to be increased, ideally they need to be devised and implemented by a third party with relevant competency and experience.

Alternative working patterns such as job-rotating, job-sharing, and flexible working have been branded as effective motivational tools by Llopis (2012). Moreover, Llopis (2012) argues that motivational aspects of alternative working patterns along with its other benefits are being appreciated by increasing numbers of organizations, however, at the same time; many organizations are left behind from benefiting from such opportunities.

This point has been explained by Lockley (2012) by insisting that certain practices such as engaging in constructive arguments and dialogues in workplace can prove to be highly motivational for the representatives of Western culture, whereas the same set of practices can prove to be counter-productive for employees from Asian countries due to vast cross-cultural differences.

Llopis (2012) draws attention to the increasing relevance of the work-life balance problem for modern employees and stresses its negative impact on the level of employee motivation. Specifically, Llopis (2012) reasons that unless employees achieve an adequate level of work-life balance in personal level, management investment on the level of employee motivation can be wasted.

III. Objectives of the Study:

To study the motivational factors that, influence the employees in public and private sector banks.

IV. Methodology of the Study:

Data for study is collected through both primary and secondary sources. Population of thestudy will be public and private sector banks‟ employees in Kankavali city

and unit ofanalysis will be public and private sector banks in Kankavali city.

For collecting primary data interview (including formal & informal) method, observation method and questionnaire method was used for study. Also secondary sources was used as per requirement of study

Various appropriate statistical techniques in SPSS version 23.00 were employed for analyzing the data. The statistical analysis and data supplemented by the information

collected through interviews, personal observations and questionnaire so as to derive effective and meaningful conclusions.

V. Data Analysis & Result:

Below table and charts exhibits that there are 24 motivational factors in questionnaires out of that only 10 factors motivate more than 50% employees. If we go in descending order, all employees (i.e. 45) are saying "yes" to 3 motivational factors, these are salary increments, 'Bonus' and 'promotion' so that 3 factors act as most popular motivational factors. In other words, these are 3 factors are more active motivational factors among other factors. Afterthese 3 most influencing motivational factor, 'leave, and 'job Enrichment' influence / motivate the 32 employees, (i.e. 70% coverage) are motivated by leave & job enrichment also.

Next motivational factor in descending order is job enlargement & transfer, the 60% employees i.e. 27 employees are accepting these factors as motivational factors, so, the same people also motivated due to transfer to expected place.

Then in descending order, next motivational factor is „medical reimbursement" and „opportunity to show ability", nearly 51% employees are saying 'yes' to these 2 motivational factors. Medical reimbursement is in money term & also it act as psychological support in difficult time, as it reimburses loss due to medical expenses. On the other hand 'opportunity to show ability" is psychological in nature.

So, we can prepare a list of motivational factors influencing employees in descending order (most accepted motivational factors by employees comes in first in list and least accepted comes last).

No.		**Motivational Factors**	**No emplo yees**	**.of**	**% of Total**	
					Population	
1.		Salary Increment	45		100%	
2.		Bonus	45		100%	
3.		Promotion	45		100%	
4.		Leave	*32*		71.1%	
5.		Job enrichment	*31*		68.9%	
6.		Job enlargement	*27*		60%	
7.		Transfer	*27*		60%	
8.		Medical Reimbursement	*26*		57.8%	
9.		Motivatedtowardachieving	*25*		55.6%	
		common goals				
10.		Opportunity to show ability	*25*		55.6%	
11.		Participation	*19*		42.2%	

No.		Motivational Factors	No employees	.of	% of Total	
12.		Participation in decision making	*17*		37.8%	
13.		Retirement Benefit	*17*		37.8%	
14.		Job Security	*15*		33.3%	
15.		Non-Financial Loss	*15*		33.3%	
16.		Motivational Talk	*14*		31.1%	
17.		Competitions	*13*		28.9%	
18.		Perk & Incentives	*12*		26.7%	
19.		Recognition & Praise	*12*		26.7%	
20.		Working in groups & team	*10*		22.2%	
21.		Empowerment	*10*		22.2%	

Source-primary data

VI. Conclusion:

From the study it reveals that, the positive motivational factors, both monetary and non-monetary motivates the employees of banks. But on other hand negative motivational factors like financial loss and non-financial loss (penalty, holiday cut, etc.) motivate in few cases only. So, the motivational factors that motivate more employees are positive motivational factors. Current rewards like salary increments, bonus, promotion are more effective than future returns giving motivational factors like pension, retirement benefits, etc.

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STUDY ON EMPLOYEE MOTIVATION AND ITS EFFECT ON INDUSTRY AND ORGANIZATION PRODUCTIVITY

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ABSTRACT :

Study of organizational behaviour is very interesting. It is the art on the part of manager to understand, describe, forecast and modify individual behaviour. Various fields like psychology, social psychology, anthropology, sociology, politics, economics, and medical sciences have contributed to the field of organization behaviour. Various models in the above fields have enriched the study of organization behaviour. It is the study that investigates the impact on individuals, groups and organizational structure have on individual behaviour so that the knowledge so achieved can be suitably modified and applied for organizational effectiveness. The study of organizational behaviour relates to the study of attitude, perception, learning, values at individual level. The study is undertaken pertaining to managing stress, conflicts, intergroup behaviour, decision making at group level. Management of change, development of organizational culture, designing and redesigning of jobs, and various organizational development strategies are required to be undertaken by leaders for organizational effectiveness. Communication, delegation of authority, well defined policies, rules, regulation, systems, procedures and processes. Introduction of latest technology is an essential part of organizational development that should be taken care of by the manager responsible for running the organization. Technological changes has made it imperative on the part of managers that they should take care of employees and meet their social expectations so that organizational goals can be achieved.

***Key words**: individual behaviour, psychology, employee motivation productivity.*

INTRODUCTION

Organizational productivity is a firm's capacity to produce the expected result with the available and minimum resources which are money, raw material, personnel, energy, time and all other resources which contribute towards productivity. Organization productivity is mainly depend on organization behavior which is the study of individual behavior in a group or within the organization. As field of organization behavior is concern itself with the study of behavior of individuals and group in the context of organization as there is one of the fundamental basis which

helps in understanding organization behavior in equation form which was given by French, Kast & Rosenzweig. Behavior =f(P,E)

Where p is personal characteristics and E represent the environment.

Personal characteristics and environment are the indirect forces which affects organization productivity. Productivity is an average measure of the efficiency of production. It can be expressed as the ratio of output to inputs used in the production process, i.e. output per unit of input is a measure of total efficiency of a production process and as such the objective to be maximized in production process. Productivity is an overall measure of the ability to produce a good or service. More specifically, productivity is the measure of how specified resources are managed to accomplish timely objectives as stated in terms of quantity and quality. Productivity may also be defined as an index that measures output (goods and services) relative to the input (labor, materials, energy, etc., used to produce the output). As such, it can be expressed as: Hence, there are two major ways to increase productivity: increase the numerator (output) or decrease the denominator (input). Of course, a similar effect would be seen if both input and output increased, but output increased faster than input; or if input and output decreased, but input decreased faster than output. Organizations have many options for use of this formula, labor productivity, machine productivity, capital productivity, energy productivity, and so on. A productivity ratio may be computed for a single operation, a department, a facility, an organization, or even an entire country.

Analyzing Productivity it is an objective concept because it can be measured, by comparing with the standard, there is need to monitor productivity for strategic management also such as corporate planning, organization improvement, or comparison to competitors, project control or controlling performance to budget.

Understanding Employee motivation it is enthusiasm, energy level, commitment and the amount of creativity that an employee brings to the organization on a daily basis.Motivation is derived from the Latin word, “movere” which literally means movement. All the definitions that you would read in books or in dictionary relate to the fact that motivation is behavior and one needs to channelize this behavior in order to achieve desired goals and results.Employee motivation is all about how engaged an employee feels in tandem to the organization’s goals and how empowered he/she feels. Motivation is of two types:•Intrinsic motivation •Extrinsic motivation

Motivated employees are an asset to an organization, they are directly proportional to an organization’s success. Motivation is intangible, difficult to measure and extremely difficult to control, but very easy to facilitate if done right. It’s all about intention, intensity, and perseverance.

There are two types of motivation, intrinsic and extrinsic.

Intrinsic motivation,

intrinsic motivation means that an individual is motivated from within. He/she has the desire to perform well at the workplace because the results are in accordance with his/her belief system. An individual's deep-rooted beliefs are usually the strongest motivational factors. Such individuals show common qualities like acceptance, curiosity, honor, and desire to achieve success. Research has shown that praise increases intrinsic motivation, so does positive feedback. But it should all be done in moderation. If you overdo any of these, there are high chances that the individual loses motivation.

It is well observed in children and I am using this as an example here if children are overpraised for the little things they are expected to do on a daily basis, their motivation level decreases. Now if you are reading this blog, there are good chances you are not a child, although we encourage children to read good content, the purpose of writing this blog is to still focus on adults.

Extrinsic motivation, means an individual's motivation is stimulated by external factors- rewards and recognition. Some people may never be motivated internally and only external motivation would work with them to get the tasks done.

Research says extrinsic rewards can sometimes promote the willingness in a person to learn a new skillset. Rewards like bonuses, perks, awards, etc. can motivate people or provide tangible feedback. But you need to be careful with extrinsic rewards too! Too much of anything can be harmful and as a manager or a supervisor, you need to be clear to what extent are you going to motivate your employees to accomplish organizational goals. According to psychologists, self-realization is a very human thing. It is our basic nature to nurture something and see it flourish, it is applicable to most things we do in our day-to-day life. This is true for both social and societal spaces. Motivation plays a very important factor in a human's life. Whether it is about improving ourselves or our organization's performance. Motivated employees don't need to be told how to get things done, they take initiatives, are eager to take up additional responsibilities, are innovative and go-getters.

LITERATURE REVIEW:

Research in the relationship between motivation and productivity is justified on two aspect. The first justification is the rapidly changing workplace environment and its meaning to the young generation of employees in high paying jobs in the other industries which are not really accepting the traditional approach to employee motivation. Who, according to Singh, et al. (2012), do not accept the 'status quo', and have moved from obedience to questioning; and who assess work in terms of its

significance in human life and human nature. Secondly, this study is also timely in the Nigerian economy with the current recession characterized by low employee morale, low sales volumes, challenges to industrial harmony, etc. It is argued that motivation is the key to economic recovery in the country (Aremu, 2017). A review of theories and empirical evidence on the central issues at stake on how to boost motivation therefore becomes timely.

The main objective and concern of most of the organizations is to make the benefit from people who are feeling positively toward the work and motivate unsatisfied employees in order to end up with a win–win situation for both the company and workers.

The most popular theory of motivation in the classical literature is perhaps that of a United States psychologist, Abraham Maslow's Hierarchy of Needs Theory. Maslow (1943) discussed five levels of employee needs: physiological, safety and security, social, esteem or ego and self- actualizing. According to this theory, people have many needs which motivate them to work, that those needs are arranged in a hierarchical manner in such a way that lower level needs (physiological and safety) had to be satisfied before the next higher level social need would motivate employees to work hard and increase productivity.

The second theory of motivation is the two factor theory or motivator and hygiene theory developed by Frederick Herzberg (Herzberg, 1966). Motivators or intrinsic factors such as drive for achievement and advancement, being treated in a caring and considerate manner and receiving positive recognition are inherent in the job itself and which the individual enjoys as a result of successfully completing the task, produce job satisfaction and motivate employees to work harder. Hygiene or extrinsic factors, such as salary, benefits and job security are external to the task and often determined at the organizational level can lead to dissatisfaction and lack of motivation if not present in positive degrees

Urichuck (2002) stated that motivated employee will increase the capability of the organization to achieve its mission, goals and objectives. It will also engage all to build a strong organizational culture. Also, motivated employees will feel as having a strategic partnership with the organization and their commitments and loyalty will increase from day to day (Anne, 1994). Also, Buttner and Moore (1997), based on their research about "Happy Employees Make Productive Employees" found that when employee attitudes improved by 5%, customer satisfaction jumped by 1.3%, and the revenue increased by 5%. So, motivated employees usually produce more than others and hence the customer satisfaction increases.

Motivated employees can impact a company's bottom line and make the workplace somewhere employees look forward to interact with instead of just a place to "pick up a paycheck" (Nandanwar , Surnis, Nandanwar 2010). Furthermore, A well-

motivated organization for sure will have more motivated employees and hence they will be more productive and this will lead to extreme cost savings (Urichuck, 2002). In addition, satisfied employees positively impact corporate culture, resulting in many intangible but equally important returns (Yongsun, Barbara, Christy, 2002). They also sees that people, who were motivated by sending them to foreign

On the other hand, Deci and Ryan (1985), definite that an organization whose employees have low motivation is completely vulnerable to both internal and external challenges because its employees are not going the extra mile to maintain the organization's stability. An unstable organization ultimately underperforms.

Firm's needs to motivate their people and keep them motivated in order to obtain the productivity gains and to insure their competitiveness. Sometimes people who are given responsibilities feel motivated and do their best and work hard accordingly (Ludivine, 2011).

Mansoor (2008) also sees that motivation is about creating the environment where employees will be motivated and hence work with their full effort. So, organizations should motivate their employees to enhance competitive advantages and reach the firms vision and mission (Philip, Yu-Fang, Liang-Chih, 2007).

RESEARCH OBJECTIVE:

All organizations are concerned with what should be done to achieve and sustain high levels of performance through employee motivation. As there are many theories given for motivation. The object is how to work with least input of material and humans resource available. There are some issue which arise in organization productivity which changes with the change in employee motivation. Certain problems of inadequate motivation are arising as it concerns with certain individuals who come into the work situation with differences in expectation, behavior, driving force, motivation factors. The issue of employee motivation inadequately can be bifurcated in two areas. First the inability of certain individuals to be motivated may raise the fact that there is a lacking in their personality. For such employee it would be difficult to neglect failure and motivation won't be giving them better outcome in their productivity, the idea for giving motivation to produce positive results may be too weak. As there is direct relation between motivation and positive environment to organization productivity, so talking specifically about intrinsic or extrinsic motivation which is more affecting employee motivation affecting organization's productivity.

DATA COLLECTION:

It is related to intrinsic and extrinsic motivation. Intrinsic motivation represents all the things that motivate you based on internal rewards. Extrinsic motivation represents all the things that motivate you based on external rewards. These types of

motivation are more common than intrinsic motivators and include achieving things due to a specific incentive, fear, or expectation, all of which depend on external factors. Intrinsic motivation includes, competence and learning motivation, attitude motivation, achievement motivation arousal theory and physiological theory. Extrinsic motivation includes incentive motivation, power motivation, affiliation and social motivation, expectancy theory of motivation, equity theory of motivation. These are basis which need to be in employee to motivate them towards the dedication of work. While data collecting as the factor which we are emphasizing are motivation which is intangible and organization productivity which we can measure it was difficult to find as there were times where employee's working pattern change sometimes due to intrinsic motivation and sometime due to extrinsic motivation. And the method choose for data collection was primary method in which qualitative method was used as the attribute in this research which we already mention earlier, motivation, behavior. Extrinsic motivators can have an immediate and powerful way for achievement of an organizational goal. It has been observed that intrinsic motivation has more impact on employee working pattern comparing to extrinsic motivation. This data explains that involvement of employees in the decision making process by management and taking voluntary responsibility of their work would help employee in creating better understanding and improved efficiency and productivity in organization. One major aspect of the findings of this study is the intrinsic motivation leads employee to achieve their personal goal and organizational goal and also reflecting in their growth and development which indirectly leads to all their needs which organization need to provide to other employee by providing different activities by extrinsic motivation.

DATA ANALYSIS:

The participants of this study are the employees from four different department of an organization. Interview has been conducted for 40 employees, wherein 10 employees from each of the total 4 department participated. A phone call and face to face interview has been conducted by interviewer to the interviewee asking for his interest and time for the interview. After arranging the schedule for the interview by the approval and convenience, interview was conducted asking further detail regarding the meeting requesting for time, location. The interview process was carried one by one, and we make sure that only one employee is interview at a time. As per sample size the total number interview to be conducted were 40. Successfully conducted interview of students are 40. Basic detail which was considered while asking are sex, age, working category and employment duration of the respondents. Another half was consisting of question related to what are the motivating factors which lead to work more, and their preference towards individual goal, comparing employee with extrinsic and intrinsic motivation and their impact on industrial and organization productivity. By analysis certain interview of employee in different

department employee's intrinsic motivation were considered to be the important factors which affects productivity of the organization in a positive manner.

CONCLUSION:

employee are also well motivated and positively impacted the productivity of organization as there is feeling of responsibility of work within themselves. There internal driving force are leading them towards proper work and increase their as well as organization growth. Productivity increases more when employee are granted responsibility and some form of authority. Also organization productivity's depend. Our findings also revealed that there is major difference between intrinsic motivated employee and extrinsic motivated employees and their impact in workplace and productivity. Which proves that employee who are motivated have a sense of belongingness, recognition and achievement which shows in their work. If employees are encouraged by motivation, they can prove themselves and their dedication towards the work in organization. Those employee who are highly motivated intrinsically, they perform their functions with all sense of responsibility, humility and efficiency. Many time the type of motivation which affects them most is according to their need and achievement. Employee should also do self-appraisal and check that where is lacking issue in having intrinsic motivation. They should also know the significance of intrinsic motivation and its impact on their career growth. A thorough knowledge should be given to them explaining their interest and dedication to work which can lead to many benefits. Also the study reveals that in starting both the employee the one with intrinsic and other with extrinsic work in same manner but slowly with the time there is difference between them as the one with extrinsic motivation is no more interested in work. And the one with intrinsic motivation is consistent in his work as compared to other. Also there is positive relationship between employee's motivation and organization productivity. The needs and wants of the employees should be looked into.

SUGGESTIONS:

- organization should always able to find out the areas in which employee are more interested into accordingly they can be motivated as different employee have different needs and wants what kind of atmosphere would help to work better. Management should also understand and imply that there is positive relation between employee motivation on industry and organization productivity so they should always try to motivate their employee in different manner so that it help them to get best input from their employee which is ultimate good point for management. Except salary and fringe benefit there are some employees who need to be motivated from their work and handwork. There are many employee at different position so many times the increment in salary and other external factors do not affect much comparing to motivating employee personally. The overall

findings of this research tend to say that there is positive effect and impact on organization's productivity in context with employee motivation rather it may be any motivation, intrinsic or extrinsic. An employee is affected through many psychological factor due to which there might be any changes in their work output and productivity. There are also many challenges in organization while considering employee situation because after some duration of the job period there is no motivation if there are no new motivational factors, creativity in job, and no recognition in job.

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CRITICAL ANALYSIS OF HUMAN DEVELOPMENT INDEX IN INDIA

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ABSTRACT :

The term economic growth is associated with economic progress and advancement. But what is actually meant by this progress, is it the growth of GDP, growth in per capita incomes, increase export earnings, low inflation, reduce the debt burden etc. Improvement in all these macroeconomic indicators leads to higher economic growth of any country. Economic growth is not just associated with this only; it also has dissimilar effect on different segments (health, education, infrastructure, employment, and poverty) of the economy. It is the quality and not just the quantity of economic growth that matters for the improvement in the quality of life by addressing the challenges of poverty, inequality, poor health and educational infrastructure; and the quality of life is better measured by the human development indicators. The Human Development Index has become one of the most widely used indices of well-being and has succeeded in broadening the measurement and discussion of well-being beyond the important income growth criteria of well being . The purpose of human development is creating conditions in which its people can live a long and healthy life. The Human Development Index is a composite index to measure the development of human resources in each country. It includes four indicators namely, life expectancy for longevity index, per capita GDP for GDP index and, adult literacy rate and gross enrolment ratio for education index.

***keywords**: Poverty, Literacy rate, GDP, Life Expectancy, Human development Index.*

INTRODUCTION

The human development concept was developed by economist Mahbub ul Haq. At the World Bank in the 1970s, and later as minister of finance in his own country, Pakistan, Dr. Haq argued that existing measures of human progress failed to account for the true purpose of development to improve people's lives. In particular, he believed that the commonly used measure of Gross Domestic Product failed to adequately measure well-being. Working with Amartya Sen and other gifted economists, in 1990 Dr. Haq published the first Human Development Report, which had been commissioned by the United Nations Development Program. The human development model emphasizes the everyday experience of ordinary people, including the economic, social, legal, psychological, cultural, environmental and

political processes. The first Human Development Index was presented in 1990. It has been an annual feature of every Human Development Report ever since, ranking virtually every country in the world. The HD Index has become one of the most widely used indices of well-being and has succeeded in broadening the measurement and discussion of well-being beyond the important but nevertheless narrow confines of income. What's more, the index has encouraged countries to invest in data collection on their citizens' well-being and spurred many countries to try to improve their rankings on the index.

PROFILES OF HUMAN DEVELOPMENT INDEX

The United Nation Development Programme (UNDP) has been bringing out a global Human Development Index for all the counters including developing and developed counters, periodically since 1990.Human Development is defined as the process of enlarging people's range of choices. The most crucial of these wide reneging choices are to live a long and healthy life, to be educated and to have access to resources needed for a decent standard of living. Additional choices include political freedom, guaranteed human rights and personal self-respect. Thus, the parameters included in its computation are:

Longevity— the ability to live long and healthy life;

Education— the ability to read write and acquire knowledge; and

Command over resource — the ability to enjoy a decent standard of living and have a socially meaningful life.

Need and Importance of Study

"Human development is concerned with what I take to be the basic development idea: namely, advancing the richness of human life, rather than the richness of the economy in which human beings live, which is only a part of it." The human development indices provide an assessment of country achievements in different areas of human development. Human Development Index is a composite index to gauge success in each country, based on three criteria of human development: a long and healthy life, access to knowledge and wisdom and good living. People are real wealth of every nation. The purpose of human development is creating conditions in which its people can live a long life and a healthy and productive benefit. Countries based on the human development index are divided to countries with very high human development, and human development countries with medium and low human development countries. In the last UN report, India is located in countries with medium human development.

Objectives of Study

To Study Concepts and Components of Human Development Index

To Analyze the parameters for the Composite Human Development Index

To Evaluate the Pros and Cons of HDI Parameters in implementation process

To suggest the appropriate measures to improve HDI at Macro Level and Micro Level.

Literature Review

Aloysiusxxi (2002) highlighted the importance of Institutions in the development process, which includes growth and capability expansion. He stated that Institutional structure defines the incentives and constraints, which determine the performance of economies across time. The State and people are major players in developing and establishing institutions. Hence development is a function of technology, physical and human capital and human development has to take place within proper functioning of institutions.

Prabhu and Kamdarxxii (2002) identified with the relationship between economic growth and social attainments within the human development framework. It recognized the fact that economic growth contributes to enhancing the level of attainments, which in turn leads to higher productivity and subsequently high rate of economic growth.

Harixxiii (2003) studied the inter-regional inequality in economic growth and human development across 14 major states in India during 1970 to 2000 periods. In the liberalisation era, the states are showing a tendency of divergence rather than convergence in terms of per capita income growth. The empirical study also examined the relationship between economic growth, public expenditure and human development, which indicates a positive relationship between these variables. The influence of public expenditure on attainment of human development is higher than that of economic growth. This clearly supports the case for higher public expenditure on health and education in order to attain higher human development.

Oommenxxviii (2007) attempted to examine the relationship between economic development and social sector development with the help of investment on education and health sector. Infact, the study states that the correlation between economic growth and social sector development is not significant. However there is a exists high positive correlation between health and education sector development. Despite lopsided development. The Kerala economic model witnessed high social sector development through more investment on education and health sector.

Purusottam and Santanul (2007) in their paper made an attempt to examine the magnitude and the problems of unbalanced human development in the state of Meghalaya. The study reveals widespread variations in human development across all the seven districts and disparities between rural and urban areas and between

male and female groups of population within the state. There is a significant disparity between income consumption and non-income attainments over the districts. The economic inequality is much higher than the overall HDI inequality. Therefore, they recommend public policy intervention reducing the inter-district disparities in human development of the state.

Devin and Kathenn (2015) The found Tamil Nadu's more inclusive Development ideology and higher quality of public administration have brought about greater human development gains than in Gujarat. In both states, political contestation is primarily between two major political parties, but in Tamil Nadu, The government has invested more in the human Development of females and underprivileged sections of society. While policies introduced 1980 may explain the human development divergence between Tamil Nadu and Gujrat in recent decade, the motivations behind difference, policy agendas in the two states appear to have been shaped by deeper historical conditions, legacies and bases of support. Nevertheless, because ideologies are malleable, political leaders have a degree of choice in whether to perpetuate patterns from the past or pursue a new direction, In Tamil Nadu, the combination of Reservations and more effective public administration have facilited the human and economic development of disadvantaged social groups to much greater degree than in most parts of India.

Research Methodology

The research is mainly descriptive analysis and dependent on qualitative data. All the collected data are secondary nature and collected from the published sources. The Research Parameters and impact variables upon which the HDI is built are as follows: Life expectancy index one of the three indices on which the human development index is built. GDP index is one of the three indices of human development index. It is based on GDP per capita (in PPP terms in US dollars).GDP per capita (PPP US$) GDP (in PPP terms in US dollars) divided by midyear population.GDP (gross domestic product) is sum of the value added by all resident producers in the economy plus any product taxes (less subsidies). Education index is one of the three indices of human development index. It is based on the adult literacy rate and the combined GER for primary, secondary and tertiary education.

Result and Discussion

The recently released data on Sub national Human Development Index (SHDI) for Indian States for the period 1990 to 2018throw up some interesting results. This index, which follows the UNDP method, is an average of the sub national values of three dimensions, mainly Education, Health and Standard of Living. India's performance in some of the metrics is praiseworthy.

Since, Human Development is a continuous process; we estimated the comparative SHDI of Indian states for the 27 year period ended 2018. We find that states like Haryana, Himachal Pradesh, Tamil Nadu and Punjab along with Kerala remain at the pole position.

The preponderance of southern states is not a surprise, but it also reflects an emerging concern. This is because 'Southern India' population is turning old and is currently witnessing a significantly low population growth and this could potentially result in imminent pressure on Southern states in terms of inter-state migration (both social & physical).

Another interesting fact is that the States which were the worst performing states in HDI during 1990s are presently doing well on the social parameter since 2014. For e.g. Rajasthan, UP, Odisha & MP have seen the largest jump in change in HDI value among the 25 major States in India, though not in positions.

The region wise trend of HDI scores suggest mostly Southern States and Northern States have performed much better as compared to their respective peers. Eastern States have a poor performance in Human development Index. The gap between Eastern region and rest of the regions, which was widening till 2014, has either declined or remain same since 2015. This could be attributed to higher economic growth in Eastern States mainly Odisha and Bihar. However, it is not clear why North-eastern States, which rapidly caught up in HDI value and were till now well performing, have slowed down in recent period.

To check the validity of whether increased social expenditure does push up the HDI ranking, we looked into the CAGR growth of social expenditure between 1990and 2018. Interestingly, the correlation between growth in social expenditure and improvement in HDI scores is low which further reveals that presence of institutional bottlenecks, lack of awareness, implementation issues are still present and hence the benefits of increased social expenditure is uneven across Indian states with some states like Haryana clearly benefitting, but some like Assam not so.

We believe the Ayushman Bharat scheme, which is the world's largest Govt. funded health care scheme, once properly rolled out and adopted across states could improve the HDI value both at national and sub-national level.

The nation saw a tectonic shift in healthcare when the Hon'ble Prime Minister launched Ayushman Bharat on September 23, 2018. About 107.4 million poorest and most vulnerable families are today covered by health insurance which sponsors almost all the complex surgeries and 1,394 procedures, covering 23 specialties in both public and private hospitals.

Findings and Suggestions

The inequality-adjusted HDI estimates for Indian states facilitate quantification of the potential loss due to inequality with respect to access to education and health. The paper briefly reviews the impact of inequalities within the states on human development outcomes of individual states. Inter-regional inequalities are likely to add another level of complexity to this scenario, but are beyond the scope of this paper and need to be explored separately. The HDI computed using the global goalposts, classifies ten states as medium human development states, while nine are low human development states. The medium human development states show an average loss of 28 percent as a result of inequalities, while low human development states show 33 percent loss due to inequalities on an average. This indicates that the human development outcomes alone sans inequalities measurement, may mask the performance of states in a significant manner. An analysis of the impact of inequalities at a disaggregated level reveals that inequalities in the education dimension are the highest, which is in consonance with the findings of the HDR 2010. It calls for a special focus on areas and social groups that continue to face constraints in accessing education. Similarly, the inequalities are also high in the case of health. Many studies have pointed out marked differences in access to healthcare and its utilization. In both education and health, not only is the attainment of people low, but the extent of inequality remains high. Further research is required to explore the inter-linkages between inequalities across various dimensions and to examine the factors behind these inequalities.

Development: a long and healthy life, access to knowledge and a decent standard of living. However, India’s performance in some of the metrics is commendable : between 1990 and 2018, India's life expectancy at birth has increased by nearly 11 years, with even more significant gains in expected years of schooling where today's Indian school going children can expect to stay in school for 4.7 years longer than in 1990.

In this regard, the recently released data on Sub-national Human Development Index (SHDI) for Indian States during the period 1990 to 2018 by Global Data Lab throws some interesting results. This index is an average of the sub-national values of three dimensions, mainly education, health and standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions. The first indicator ‘Education’ has been measured with the variables ‘Mean years of schooling of adults aged 25+’ and ‘Expected years of schooling of children aged 6’. The ‘Health’ indicator is measured with ‘Life Expectancy at Birth’ and standard of living is measured with ‘Gross National Income per capita (PPP, 2011 US$)’.

To have a clear insight, we ranked the States based on their scores (highest scores ordered as Rank 1). The 2018 HDI scores indicate that the States like Kerala, Goa

and Punjab occupy the top three positions while States like Bihar, UP and MP are in the bottom of the rank.

However, if we look at the change in ranks for all the States between 1990 to 2018, Haryana, Himachal Pradesh, Tamil Nadu and Karnataka have seen a significant jump in their HDI rank, while most of the North Eastern states like Nagaland, Meghalaya and Manipur have seen slippages in the ranking. Both UP and Bihar have continued to remain at the bottom of the rank in the last 27 years.

Another interesting fact is that the States who were the worst performing states in HDI during 1990s are presently doing well in the social parameter since 2014. For e.g. Rajasthan, UP, Odisha & MP have seen the largest jump in change in HDI value among the 25 major States in India.

To check whether social expenditure has pushed the HDI ranking, we also looked into the CAGR growth of social expenditure between 1990 and 2018. The correlation between growth in social expenditure and improvement in HDI scores is at 0.45 which further reveals that presence of institutional bottlenecks, lack of awareness, implementation issues are still present.

REGION WISE TREND IN HDI

We constructed region-wise HDI score where States are divided into five regions i.e., East, West, North, South, and North-East region based on their geographical situation and average scores estimated from the individual states of the respective zones.

The region wise trend of HDI scores suggest mostly Southern States and Northern States have performed much better as compared to their respective peers. Eastern States have a poor performance in Human development Index. The gap between Eastern region and rest of the regions which was widening till 2014 has either declined or remain same since 2015. This could be attributed to higher economic growth in Eastern States mainly Odisha and Bihar.

North-eastern States which have rapidly cached up in HDI value and were well performed among other regions have slowed down in recent period and even the HDI value is declining.

WAY AHEAD

In Sep'18 Government lunched Ayushman Bharat Yojana or Pradhan Mantri Jan Arogya Yojana (PMJAY) which is a centrally sponsored scheme with an aim to cover over 10 crore poor and vulnerable families providing coverage up to 5 lakh rupees per family per year for secondary and tertiary care hospitalization. We believe the PMJAY scheme, which is the world's largest Government funded health care

scheme, once properly rolled out and adopted across states could improve the HDI value both at national and sub-national level in the coming years.

Conclusion

From the above discussion it may be stated India and the states have experienced improvement in the state of human development. The country has achieved higher economic growth, improved the balance of payments position and achieved price stability. But this development has not been accompanied by a growth in employment. The implication is that with rising population, the greatest challenge in the coming years will be to provide employment opportunities for a growing labour force. The second important finding is the large interstate disparity not only in economic development but also in human development as well. The states, which are economically better off, performed well in human development while the states, which were at the bottom of economic progress, also had a low level of human development. The SDPP and the composite indices such as HDI, GDI and HPI support the argument. The correlation coefficients of dimensional indices and the birth rate support that the demographic variables are negatively associated with the state of human development. Improvement in human development can bring down the birth rate. While the construction of HDI is able to capture the average progress in the states, the HPI is not able to do so. The comparison of HPI with planning commission estimates suggests that the HPI is not suitable in the Indian context. This is because of definitional problem of safe drinking water. Lastly, there is an urgent need to provide the estimate of income by sex. In the absence of such data further modifications of the methodology on estimation of per capita income by taking the occupational distribution of labour force by sex may be made.

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"INCREASING TRENDS TOWARDS EMPLOYEE ENGAGEMENT IN 2020 W.R.T IT INDUSTRIES IN THANE"

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ABSTRACT :

Employee engagement called worker engagement is a business management concept. An "engaged employee" is one who is fully involved in, and enthusiastic about their work, and thus will act in a way that furthers their organization's interests. Thus engagement is distinctively different from employee satisfaction, motivation and organizational culture. Employee engagement is the thus the level of commitment and involvement an employee has towards their organization and its values. An engaged employee is aware of business. Context, and works with colleagues to improve performance within the job for the benefit of the organization. The organization must work to develop and nurture engagement, which requires a two-way relationship between employer and employee.' This study aims to understand the concepts of Employee Engagement and determine the drivers of Employee Engagement with the help of review of literature. The study is based on review of literature and data collected from various websites, journals and reference books

***Key Words**: Employee Engagement, IT Sector, Motivation*

INTRODUCTION

Aspects of Employee Engagement

Three basic aspects of employee engagement according to the global studies are:-

- The employees and their own unique psychological makeup and experience
- The employers and their ability to create the conditions that promote employee
- engagement
- Interaction between employees at all levels.
- Thus it is largely the organization's responsibility to create an environment and culture
- Conducive to this partnership, and a win-win equation.

Categories of Employee Engagement

According to the Gallup the Consulting organization there are there are different types of people:-

Engaged--"Engaged" employees are builders. They want to know the desired expectations for their role so they can meet and exceed them. They're naturally curious about their company and their place in it. They perform at consistently high levels. They want to use their talents and strengths at work every day. They work with passion and they drive innovation and move their organization forward.

Not Engaged- Not-engaged employees tend to concentrate on tasks rather than the goals and outcomes they are expected to accomplish. They want to be told what to do just so they can do it and say they have finished.

Actively Disengaged-The "actively disengaged" employees are the "cave dwellers." They're "Consistently against Virtually Everything." They're not just unhappy at work; they're busy acting out their unhappiness .They sow seeds of negativity at every opportunity.

Literature Review

- **According to the Institute of Employment Studies (IES),** employee engagement is defined as a positive attitude held by employees towards the organization and its values.
- **The Corporate Leadership Council (CLC)** defines engagement as the extent of employees' commitment, work effort, and desire to stay in an organization
- **T.Suhasini and Dr.K.Kalpana (2018):** The study reveals that Employee Engagement is a comprehensive task and cannot be accomplished by the effective training programs also. Organizations can improve engagement by opportunity thinking, enhancing employee decision making, and commitment. Employee engagement results in reduced turnover intentions and increased innovative work related behaviour.
- **V.Siva Kumar (2015):** This study describes that the high level of employee Engagement increases the growth of the organization and acts as a retention strategy. From this study it is observed that employee engagement in private banks is not satisfactory.

  NP Myilswamy, Dr.R.Gayatri (2014): According to their research "A study on Employee Engagement: Role of Employee Engagement in organizational Effectiveness", it is concluded that the level of Engagement determines employees productivity and their intention to stay in the organization. Employee Engagement drives organizational effectiveness by improving loyalty, retention,

safety, productivity and profitability. And the employees who are highly involved in work are more engaged.

OBJECTIVE OF THE STUDY

- To have employee of choice
- To improve employee retention
- To build a culture of high performance
- To improve client satisfaction
- To reduce absenteeism

SCOPE OF THE STUDY

- Engaged employee will stay with the company, be an advocate of the company products and services, and contribute to the bottom line of the business success
- A highly engaged employee will consistently deliver beyond expectations.
- They will normally perform better and are Self-Motivated

Employee Engagement activities

Assign company values

Assign one of your company's values to a certain employee, every month, based on a peer-voting process. The person who best represented that value can be set as an example and be publicly acknowledged for his actions.

Teams create their own set of values

Designing your own game rules makes playing a lot more fun. Team synergy is not an easy objective to attain, and it's definitely not a rapid one. But it is essential to the end-game objective and to the overall performance of the project. Having teams create a team culture, based on 2-3 commonly agreed values or ground rules can help nurture and speed up that process.

Celebrate achievements

Big or small, they are the solid proof that the work people are putting in has meaning. No one can go through tasks and assignments for months, or even years without burning out. Refill their energy tanks with some recognition and celebrate their hard work. This is also a great way to glue together teams.

2.1 Employee Engagement in India-a Benchmark Report by Top IT Industries Thane in 2020

If we were to survey any HR manager on some of their biggest focus areas in the coming year, employee engagement would most likely top their list. Agility and the

constant need to stay relevant have now become prerequisites for companies in a complex marketplace. How can today's leaders feel confident enough to face the internal and external pressures that prevent their brands from reaching their full potential? We can measure the employee engagement levels in our companies, but what is the benchmark and how do we know we are doing well? This highlights the need for a yardstick to assess, not only how our own organization is doing, but also where we stand in the larger industry, national and global landscape. Companies are not flexible and adaptable by nature, but their employees can be when motivated. Engaged employees are resilient in the face of changing environments- maintaining high performance in good times and going above and beyond during low growth phases. How committed your employees are, emotionally and practically, to the success of the company will be the prime determinant of whether an organization succeeds or not in a challenging market.

We saw that among the functional and emotional elements surveyed, the three key drivers that stood out as having the strongest effect on employee engagement were:

- The Relationship with Immediate Supervisor
- Belief in Senior Leadership
- Pride in Organization

It is generally accepted that employee retention is a by-product of engagement levels so it was interesting to observe through this study, how employees at different levels of engagement responded to the prospect of salary increases. The average hike on current salary that an employee in India would consider acceptable to leave his current job is 20%. At this pay increase, we found that 58% of disengaged workers would accept another job offer v/s only 14% of fully engaged employees. This salary inelasticity of fully engaged employees indicates a kind of loyalty that companies today are often hard-pressed to develop.

Employee Engagement was examined specifically within the context of Immediate Supervisor, Senior Leadership, and Pride in Organization, Learning & Performance and Work Environment. We found that employees in India were clear with what was expected of them in the workplace and indicated a strong willingness to put in extra effort to reach organizational goals. However, they simultaneously felt a lack of focused leadership, open communication and adequate training.

India has employee engagement challenges which are affecting the productivity of its working professionals and the competitiveness of its companies. For example, just 31% of employees in India were very satisfied with their Senior Management while 16% were outright dissatisfied with their leaders, which highlighted the low level of confidence that employees have in their top executives and this emerged as one of the biggest gaps that companies need to address.

MANAGERS AND ORGANIZATIONAL CULTURE:-

- Reactive decision-making that fails to address problems in time;
- Inconsistent management style, based on the attitudes of individual managers which leads to perceptions of unfairness
- Lack of fluidity in communications and knowledge sharing, due to rigid communication channels or cultural norms;
- Low perceptions of senior management visibility and quality of downward communication;
- Poor work-life balance due to long hour's culture.

Statement of Problem

- The organization loses its top talent: If an employer neglects employee engagement, he will lose his/her best employees.
- Negative Impact on Organizational Success: Looking into employee engagement as a strategy is not only essential for organizational success but vital for long-term organizational viability. So, if there is low employee engagement, it is likely to have a negative impact on organizational success.
- During the past successive economic downturn, managers had the most difficult task of handling their workforce's spirits and productivity.
- To solve this matter, managers of an organization must be able to build a culture where respective employee feels valued and can take decisions.

RESEARCH METHODOLOGY

- This study aims to understand the concepts of Employee Engagement and determine the drivers of Employee Engagement with the help of review of literature. The study is based on review of literature and data collected from various websites, journals and reference books

Data Analysis

SECONDARY DATA

- Secondary data has been collected by company websites, journals related to Information, websites related to companies, and published interviews with top leaders of the industry.
- The records for the employee engagement events that were organized in the last years.
- Other relevant study materials and website

CONCLUSION

- Engaged employees can help your organization achieve its mission, execute its strategy and generate important results.
- This project has highlighted ways in which different HR practices, including job design, recruitment, selection, training, and compensation and performance management can enhance employee engagement.
- But these examples also show that employee engagement is more complex than it may appear on the surface.
- Organizations define and measure engagement in a variety of different ways, suggesting there is no one "right" or "best" way to define or stimulate engagement in your workforce.
- The decision to invest in strengthening engagement or commitment (or both) depends on an organization's strategy and the makeup of its workforce.
- For these reasons, it is vital to consider our own organization's view of engagement, as well as its strategy and workforce composition when deciding which HR practices will receive scarce investment. T

SUGGESTIONS AND RECOMMENDATIONS.

- Supervisors and Managers should meet at regular intervals with the employees to discuss about the improvement in the company, at work place and in their living of standard, family problems etc.
- Gap between managers and the employees should be reduced by raising the level of engagement. For example: by conducting extra co-curricular activities like social and cultural programs.
- Create good and healthy environment at work place and increase the environment.

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A STUDY OF THE LABOR UNREST AT MARUTI SUZUKI PLANT THROUGH THE LENS OF DUNLOP'S APPROACH

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ABSTRACT :

The Maruti Suzuki Manesar plant case that took place in 2012 holds significant importance while understanding the key concepts of human resource management and industrial relations. The study of the field of human resource management is incomplete without a closer look at the incident in the plant in 2012 which triggered industrial unrest. The understanding of the Dunlop's approach to industrial relations helps give a deeper understanding between the dynamics and relation between the different stakeholders, inputs, processes and outputs in industrial relations. This paper attempts to understand the nature of industrial relations at Maruti Suzuki through the Dunlop's approach.

Design/Methodology

To address the research gap, the researchers have adopted a qualitative research approach. The variables which influenced this incident were identified through extant literature review. They were then classified into the three steps proposed by Dunlop i.e. inputs, processes and outputs.

Originality and significance of the study

This paper contributes to the existing literature by studying the factors that resulted in industrial unrest in the plant. It would help to identify the prevailing cross-cultural issues that resulted in the course of events. The study also attempts to throw some light on the role played by the state and its agencies in this dispute.

Keywords*: Dunlop's approach, industrial unrest, industrial relations, stakeholders.*

INTRODUCTION

1.1 Industrial Relations in India

Industrial relations represent the formal relationship between the employer, employee, government,trade union and society.(Monappa,1995). Industrial relation differs fromemployment relations and has its own set of challenges.(Keenoy, 1999).In India, industrial relations has gradually evolved through four phases which covers the pre independence era, early independence phase, pre and post liberalization era. (Srivastava,2001). Each era has witnessed its own fair share of industrial relations. The current industrial relations system in India is a mixture of societal, economic and political factors, (Krishna, Sahay & Walsham,2004). The architectural framework of the system that exists today was established by the main happenings prior to India's Independence. The Trade Unions Act 1926 ,The Industrial Disputes Act 1947 and The Contract Labour Act 1970 are the foundation blocks for IR in India. Further developmentand progress after 1947 inlabour laws have attempted at balancing growth, competitiveness and poverty reduction. (Hill, 2009). Trade unions have an important contribution in industrial relations. They permit a formal manner in voicing employee demands. The origin of trade unions in India can be traced back to the nineteenth century (VenkataRatnam, 1996). The dynamics of these intertwined relations has changed over a period of years. Many industries now a days follow a practice of directly getting involved with employees instead of encouraging trade unions. Contractual labour also significantly contribute towards these changing dynamics. They represent a significant aspect of labour relations in the manufacturing and automobile sector. It is impossible to ignore their contribution to industrial relations. (Hill, 2009). The government is represented through labour laws, third party intervention through arbitration and adjudication. They form a formal mechanism to keep a check on fair employment practices to ensure mutual benefit and transparency to all stakeholders involved. The nature of industrial relations is to promote industrial peace and democracy, however contrary to this, strikes-lockouts, labour unrest in the recent past has become synonymous to the meaning of industrial relations. One such incident that shook the country and has significant impact on the IR story in India is the Suzuki plant case that took place in Manesar in India.

1.2 Suzuki plant case

The automobile sector has grown tremendously in the last decade. It has witnessed its share of labour unrest since the mid 2000. There are numerous contributing factors to this unrest. The discussion of industrial relations is incomplete without studying the series of strikes and lockouts that took place in 2011 and 2012 in one of the biggest car passenger producer Maruti Suzuki. (Nowak,2016). A brief snippet of

the unrest has been discussed below, detailed versions of the case have been discussed in the further sections of the paper.

The incident came to light and received wide media publicity and public outrage when, violence stroked upon the Manesar plant on 18 July 2012. The unfortunate incident saw on outburst and attack on supervisors, engineers and management. The brutality was such that a senior HR executive lost his life on the site. The incident is the worst-ever for Suzuki since the company began operations in India in 1983 and one of the most heinous of industrial crimes in the history of India. (Prasad, 2012).

1.3 Objectives and Significance of the study

The Suzuki Manesar plant case has a significant contribution in studying the nature of industrial relations. One of the best way of studying the triggers of the incident, processes and outcomes is by adopting the Dunlop's approach which helps to look at the incident through the perspectives of three key players in IR-the management, employees and government. The approach also helps to throw light at the IR processes followed in industries. This paper attempts to understand the nature of industrial relations at Maruti Suzuki through the Dunlop's approach .

The flow of the paper is as follows. Section 2 discusses the theoretical background covering the triggers of the incident. Section 3 presents the research methodology followed by studying the Dunlops approach to IR. The next section discusses the findings by implementing this approach. The final section draws some policy implications, highlight limitations of the study and scope for further research.

2. Theoretical Background- A study of variables that triggered the labor unrest

2.1 Trade Union

Trade unions are a representative group of employees or employers that represent matters related to wages, working conditions, etc. For the trade union to be functional , formal registration and recognition is a must. Industrial practices show that many cases trade unions have been sidelined from the industry. The labour law permits registration of trade union provided all conditions have been fulfilled. However, for their formal recognition there is no provision. (Hill,2009)

An industry may have multiple trade unions. Many times, trade unions are heterogeneous and have different agendas. As a result there is no parity and they are not in a position to voice one opinion. They may also be victims of politics, where employer strategically play one union against the other for their own benefit. (D'Costa,2011).The government is represented through labour laws and interventions. Due to this representation and too much interference from the state, it is difficult for trade unions to survive and flourish. (Sharma, 2006).Due to multiplicity of unions, they are also surrendering to the pressures of inter-union

rivalry. Due to changing demographics not many employees want to join trade unions, lack of mature internal leadership is another challenge that they face. (Srivastava,2001).

The Maruti Suzuki plant in Manesar has a history of struggle for Union recognition. Traced back to 1993, employees tried to form a trade union with close association of HMS, however it failed in its attempt as there was no recognition from management. The union had to get dissolved in due course of time.Such was the fate of another union MarutiUdyog Employees Union (MUEU) supported by the federation AITUC which had to dissolve due to problems with recognition from management. In the year 1995, they were reinstated. In the plant, a new trade union had formed in year 2012, the members were struggling to prove their worth and receive recognition.(Srivastava,2001).

2.2 The Social Fabric

The study of the social fabric comprosong of social background, age, gender, ethnicity is important. Employee demography is the study a groups members attributes in terms of age, gender, seniority, cultural background, marital status, family status, etc. (Pfeffer ,1983; Geare, Edgar & McAndrew, 2006). In the Indian scenario, strong family ties are important. A lot of importance is also given to extended family ties. Hence, even at the workplace job related decisions are influenced by interpersonal influences (Kanungo&Mendonca, 1994).There is a change in the demographics of work forces in industries. The number of women in the work force has increased significantly. Diversity also extends to number of people from different ethnic backgrounds. (Shenhav&Haberfeld, 1992).The workforce also makes up of employees that belong to communities that have ethnic minority groups. These groups have experienced a lot of discrimination.(Kirton& Greene, 2006). This discrimination often results in barriers in the workplace (Dalton & Todor,1985). Unfair labour practices result in them suffering low pay and lower status (Kirton& Greene, 2006). This results in job dissatisfaction. A reflection into the Suzuki Manesar case shows that Jiya Lal an employee and prime accused a modest family background. The event that triggered the unrest was the argument between the supervisor and Jiya Lal, where in reportedly the supervisor instigated some remarks of his background. The workers' union demanded his reinstatement and when the management refused, the unrest began (Times of India, 2012).In industries worker empowerment is a common practice. Workers that were solely dependent on trade union representatives, now have a voice of their own. (Srivastava,2001). It is important to have strong labour legislations that protect workers and ensure that there is no discrimination based on employee demographics.

2.3 Work Culture

Industriesare dynamic in nature. This makes them complex in nature. Employees are an important and key role player in industrial relations. The relation between employees and the organization is highly interdependent on each other. Employee involvement is necessary for the industry to prosper. (Kerego&Mthupha, 1997). A proper work culture that helps foster this relationship is important. Employees perception about the organization structure, climate, leadership is important in an industry to promote industrial peace. (Hutcheson ,1996).

Work culture reflects the fundamental assumptions of permissible behavior in an industry. (Schein,1984). They define the ways that are correct and employees perceive and make decisions. It is important to focus on the effect of these influences on industrial relations. The work culture should be able to overcome industrial relations challenges of social protection and labour flexibility (Hill,2009). Lack of trust and incorrect perceptions between management and employees is a primary reason for industrial unrest. It is important to create the work culture of trust. (Prasad,2012).

2.4 Wage disparities

Wages, incentives, overtime pay are sensitive topics in industrial relations. According to a study done by Kirton& Greene 2006, hierarchy and salary level have a major influence on employee attitudes. Good IR practices should reflect uniformity in wage distribution and it should be in line with the ongoing market value. (Dole & Schroeder, 2001). This is true especially for the automobile sector, wages have a major impact on the employees. There is also always a comparison with the other players in the same sector. This results in comparison of wages, which subsequently affects satisfaction level of employees. (D'Costa,2011). Reflecting back to the Suzuki case, as per the employee perception the other players in the market such as Hyundai and Honda were paying their employees a higher wage in comparison. This hampered dissatisfaction among employees. As per the employees, the wage was also less for an area like Gurgaon which is considered expensive. The employees found it a struggle to survive and run their family. (Nowak,2014). For the permanent employees, a component of the wages was the attendance allowance. Employees who had to miss work due to a personal emergency would miss out on this allowance which impacted the overall wages.

2.5 Communication gap

The history of industrial relations shows that there was a point in time where trade unions had gained importance. However, over a period of time due to practices such as employee empowerment and workers participation in management, employees have found a voice to directly communicate with management. Management has

become more powerful resulting in trade unions loosing their membership. (Nowak,2014)Harmonious and uniform, fair treatment of employees promotes a feeling of equity and fairness. This contributes in building positive perceptions towards the workplace. (Wood, 1995). Reference the Suzuki plant case, there was an ongoing stress between the management and employees as the management did not give in to the employee demands. The issue was not looked at and sufficient measures were not undertaken. There was a huge communication gap between both the parties.

3. Research Methodology

The researchers have gathered information from articles published in Ebscohost, J Stor, Scopus and Emerald. These articles published in journal of high repute were studied to understand the Maruti Suzuki Manesar plant case. The variables discussed in the section above were identified as the key issues that triggered the incident. The researchers have adopted the Dunlop's approach to further analyze the case.

3.1 Dunlop's approach

Industrial relations practices in industries are governed by various approaches such as the sociological , psychological, unitary, pluralist, Gandhian and Dunlop's approach. Each approach has their own fundamental assumptions, merits and demerits. One of the best methods of analyzing industrial relations in India is through the lens of the Dunlop's approach. The Dunlop's model was proposed in 1993 and comprises of three parts, the inputs, process and output. As per this approach, industrial relations involves certain actors, contexts, ideologies that are responsible for holding the system together and the outcome of the model should always be rules.

Figure 1: Representation of the Dunlop's approach (Authors contribution)

The inputs in the model are represented by key actors in industrial relations, the context of the situation and ideology that governs the system. As per Dunlop, inputs are thehierarchy of managers, non-managerial workers, spokespersons, and government. The context depicts technological advancements, upgradation, work community. The context is also influenced by market and budget, power distribution in the industry. Process are the practices followed for smooth industrial relations to be maintained in the industry. (Craig & Solomon1983). He stated that processes could include fragmented bargaining, the degree of centralization and decentralization in decision making and formalization of decision making, grievance procedures, processes for workers participation in management. The model emphasizes on rules and regulations as the output to maintain industrial peace and

unity. These rules could be categorized as those relating to both work and trade unions and those specifically focused on the wage-effort bargain, job rights and other worker-oriented benefits.

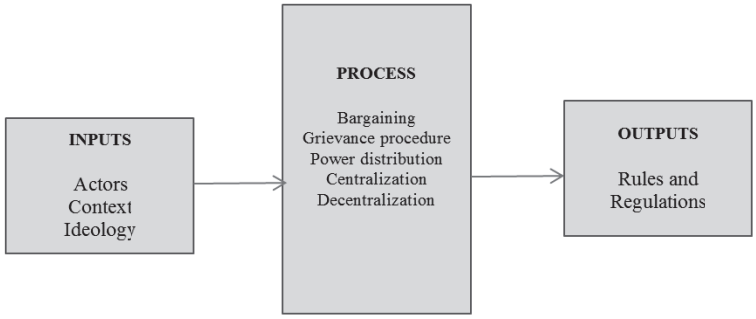

Figure 2: Representation of components of the Dunlop's approach (Authors contribution)

4. Results and Discussions

The Suzuki Manesar plant case can be looked at through the lens of the Dunlop's approach. The inputs, process and output can be clearly defined. A look into the approach shows that input comprises of the actors, context and ideology. The actors in this case were the employees, management, trade union that were existing and the new trade union that did not get recognition from management. The context implies the situation that demanded recognition of trade union, increase in wages as per the neighboring companies. There was also a demand to relook at the conditions of employment for contractual employees. The ideology represents the core beliefs and value system at the plant. The process highlights that there were instances of arbitration, negotiation that were not successful. Some central trade unions such as the All India Trade Union Congress(AITUC), Hind Mazdoor Sabha(HMS) helped with the negotiations. After negotiations, the workers at the Manesar plant finally signed the good conduct bond, and 33 dismissed workers were reinstated.

4.1 Limitations and Scope for further research

- (Rogowski,2000) has criticized the Dunlop's model for looking at the IR system only as an analytical subsystem similar to an economic system. The approach is also more descriptive rather than exploratory in nature. The researchers have considered only one incident that is critical to industrial relations, many more similar cases can be studied.

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THE IMPACT OFTALENT MANAGEMENT ON THE PERFORMANCE OF AN ORGANIZATION

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ABSTRACT :

This research explores talent management practices & it's on performance of an organization. It was found that talent management is considered as the strategy of organization to retain employees. The strategy involves the human resource activities such as recruitment, selection, training and development and performance management.

The retention of talented employees is necessary for an organization to success and improve performance. In highly competitive market and technological changes, having the right employees is the key to ensure organizational success.

The impact of this research will create an opportunity to develop talent management strategy. It is expected that the identification and development of talent management strategy would result in additional benefits for the organization and its employees the performance of every organization is depending on the performance of their employees. If the employees have unique competencies which the competitors cannot replicate, the organization automatically gains a competitive edge over its competitors.So, for managing this unique human capital, the organizations are focusing on creating effective systems and processes for talent management.

Human resource is playing important role because greatest assets of the organization are its people. People though belong to diverse backgrounds therefore possess diverse talents so, this is an organization's responsibility to effectively manage the talent of its workforce, talent management

***Keyword**: - Competitive Edge,Greatest Assets,Unique Competencies, Retention of Talented Employees.*

INTRODUCTION

Background of Talent Management:

In 1997, McKinsey released The War for Talent and awakened a new wave of interest in organizations to attract, develop, retain and maximize the performance of their talent. Two decades later, the war drums are still beating and the battle

continues to rage. With no easy victory in sight, some corporate generals now demand a sacrifice and look towards Human Resources.

The surprisingly long journey of Talent Management, reflect on the state of Talent Management today, and outline how Talent Management is positioned to add value to the organization unlike ever before. We characterize this journey as the Talent Management Revolution and believe that, through the Revolution's success, the true potential of the modern organization can be realized.

Revolutions aren't static; they evolve, progressing through a series of eras that build on their predecessors. A catalyst drives the evolution from one era to the next as organizations face changing competitive demands - new macro challenges, new innovations, and new expectations. The Talent Management Revolution is no exception.

The three existing eras of the Talent Management Revolution provide insights into the value Talent Management can add to organizations. We describe those eras below and provide data from our State of Talent Management survey to illustrate the progress to date and the journey ahead.

Era	**Participating Population**	**Resources**	**Tools to Solve Problems**	**Processes to Apply Tools Efficiently, Effectively & Consistently**	**Timeline**
Era-OneExperimental	Few Practitioners	Few to None	Experimenting	No	1 AD - 1997
Era-Two: Adoption	Many Practitioners	Increasingly Many	Yes	No	1998 - 2017
Era-Three: Impact	Vast Majority	Constant	Yes	Yes	2018-Onward

Talent Management:

Reasons in the Indian Context

In the Indian context too, attrition seems to be a substantial reason making Talent Management a crucial HR issue. The figures indicating the costs of wrong hiring as given below, seem to be telling the same story

- It is estimated that at least 1/3rd of business failures are due to poor hiring decisions and inability to attract and retain the right talent.
- The average cost of replacing a manager or professional is 1.5 to 3 times the salary.
- The cost of working around an under-performer can run as high as six (digit) figures.

- The cost of consistently failing to attract and retain good talent including declining productivity, morale, culture and reputation is in estimable.

Employee turnover is an important reason forcing the organizations to work on managing the talent they have or would want to have. Skyrocketing costs of turnover is certainly an issue but overall impact of increasing employee turnover, is more significant and far-reaching. Other reasons necessitating the need to look into Talent Management in India include the rapid changes in the economy resulting in a boom in the job market, the internet revolution and, easy accessibility to the net and job portals. The study being reported has also examined the reasons making Talent Management critical in India and the same are discussed later in the paper.

The Concept

According to Clake and Winkler (2006)

Talent Management could bedescribed as the entire gamut of activities related to identification,development, engagement/retention, and deployment of "talent" within aspecific organizational context. Talent Management is not about promotion based on tenure or political favourites.

(Mucha 2004).Talent Management is not abouthiring likable folks, or winners. It is a constant challenge to have the rightpeople matched to the right jobs at the right time and doing the right things Understanding the "needs and aspirations" of humanresources and addressing them is core to the philosophy of TalentManagement.

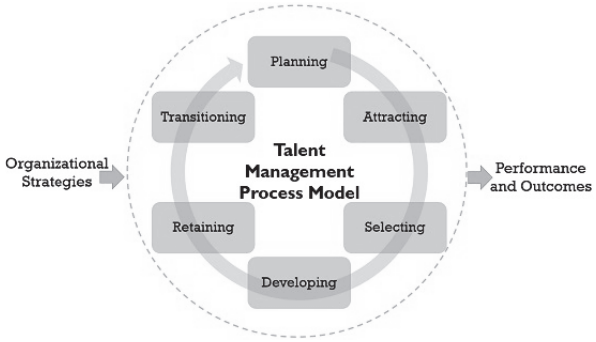
According to Pareek (2004),A very important motivatingfactor for people joining and continuing in an organization is the kind ofwork they get, and whether they are valued in the organization. Unless the organization satisfies one of the basic psychological needs of being valuedand appreciated, people, howsoever well paid may not like to continue there.However, these are not contradictory. In fact, these have to be integrated, i.e.,the compensation system should communicate to the employees that they arevalued. It should cater to some basic psychological needs.

Talent management is the systematic process of identifying the vacant position, hiring the suitable person, developing the skills and expertise of the person to match the position and retaining him to achieve long-term business objectives.

Human Resource is the sum total of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the employees of an organization. Human resources should be utilized to the maximum possible extent in order to achieve individual and organizational goals. An organization's performance and resulting productivity are directly proportional to the quantity and quality of its human

resources. That is the reason that the concept of talent management has received a significant degree of professional and academic interest.

Talent Management Process Model



1. Planning: Planning is the initial step in the process of Talent Management. It involves the following:

o Identifying the Human Capital Requirement.

o Developing the Job Description and Key Roles.

o Proposing a Workforce Plan for Recruitment.

2. Attracting: Deciding whether the source of recruitment should be internal or external and seeking for the suitable individuals to fill in the vacant positions through:

o Job Portals such as Naukri.com, Timesjob.com, etc.

o Social Network such as LinkedIn and Twitter.

o Referrals.

3. Selecting: Recruiting and selecting the personnel. It involves the following steps:

o Scheduling Written Test and Interviews.

o Scrutinizing the Most Suitable Candidate forthe Profile.

4. Developing: In this stage, the employee is prepared according to and for the organization and the profile. Following are the steps involved in the process:

o Carrying Out an Onboarding Programme oranOrientation Programme.

o Enhancing The Skills, Aptitude And Proficiency Of The Personnel To Match The Profile.

o Counselling, Guiding, Coaching, Educating, Mentoring Employees and Job Rotation.

5. Retaining: Employee retention is essential for any organizational existence and survival. Following are the ways of employee retention:

- Promotions and increments.
- Providing opportunities for growth by handing over special projects.
- Participative decision making.
- Teaching new job skills.
- Identifying the individual's contribution and efforts.

6. Transitioning: Talent Management aim at the overall transformation of the employee to achieve the organizational vision. It can be done through:

- Retirement benefit to employee.
- Conducting Exit Interviews.
- Succession Planning or Internal Promotions.

Objectives of Talent Management-

Attract Top Talent

Having a strategic talent management gives organizations the opportunity to attract the most talented and skilled employees available. It creates an employer brand that could attract potential talents, and in turn, contributes to the improvement of the organizations' business performance and results.

Employee Motivation.

Having a strategic talent management helps organizations keep their employees motivated which creates more reasons for them to stay in the company and do their tasks. In fact, 91 percent of employees shared that they wanted more than just money to feel engaged and motivated, as revealed by Chandler and Macleod's survey.

Continuous Coverage of Critical Roles.

Talent management equips companies with the tasks that require critical skills to plan and address the important and highly specialized roles in the workforce to its employees. This means that the company will have a continuous flow of employees to fill critical roles to help companies run their operations smoothly and avoid extra workload for others, which could lead to exhaustion.

Increase Employee Performance.

The use of talent management will make it easier for the companies to identify which employees will be best suited for the job that can lead to less performance

management issues and grievances. It will also guarantee that the top talent within the company stays longer.

Engaged Employees

Talent management allows companies to make systematic and consistent decisions about the development of staff, which guarantees the employees' skills and development. Furthermore, employees will feel more engaged when there is a fair procedure for the development, which helps in increasing the retention rates that helps companies in meeting their operational requirements.

Retain Top Talent.

Well-structured on-boarding practices create higher levels of retention which saves the company on its recruitment and performance management cost in the long run.

Improve Business Performance.

Talent management helps employees feel engaged, skilled, and motivated, allowing them to work in the direction of the company's business goals, which in turn, increases client satisfaction and business performance.

Higher Client Satisfaction.

A systematic approach to talent management means that there is an organizational integration and a consistent approach to management. When systems are more integrated, client satisfaction rates are usually higher, since they are dealing with fewer people and their needs are met more rapidly.

Other Objectives of Talent Management:-

1. Increase self-awareness
2. Establish customized development plans
3. Provide exposure to senior management
4. Enhance leadership skills and abilities
5. Provide opportunities to solve critical business problems

Methodology-

Secondary data is used to study Talent Management & its impact on organizations performance sovarious topic related articles, research publication,internet etc are used.

Discussion of the Talent Management-

Talent management is the full scope of HR processes to attract, develop, motivate and retain high-performing employees.

This Definition Has Three Components:

The Full Scope of HR Processes:

Talent management is about a set of HR processes that are integrated with each other. This means that talent management activities are larger than the sum of the individual parts. This also means that a talent management strategy is required to capitalize on its full potential. More about this later.

Attract, Develop, Motivate And Retain:

This is not a comprehensive list. Talent management touches on all key HR areas, from hiring to employee onboarding and from performance management to retention.

High-Performing Employees:

The purpose of talent management is to increase performance. Talent management is aimed at motivating, engaging, and retaining employees to make them perform better. This is why talent management is important. When it's done right, companies can build a sustainable competitive advantage and outperform their competition through an integrated system of talent management practices that are hard to copy and/or imitate.

In other words, talent management is a process aimed at driving performance through integrated people management practices

Talent Management Strategies

What Are The Aspirations Of The Organization And What Are The Goals That Enable Us To Measure Progress?

When we talk about specific and measurable goals, we are talking about talent management metrics. These metrics enable us to keep track of what we're doing. A good example is unwanted turnover. If we can't retain our star employees, we will most likely not achieve our aspiration.

What Do We Want To Focus On?

There are multiple areas in talent management that you can focus on. You can become a desirable employer. Being a top employer or being nominated as a Great place to Work requires substantial investment. This can be effective especially when you want to attract people with all kinds of backgrounds. However, if you have a very specific employee profile, for example, engineers, your time is better spent on hiring from the top technical universities.

The HR talent management model is very helpful in this case as it enables you to map the specific activities that you want to focus on. This will also help in the next step. Below you'll find a list of talent management activities that you can focus on.

How Will We Win From The Competition?

Unfortunately, you're not the only one who's looking for top talent.. How can you outperform your competition and become more attractive? This can be achieved through better employer branding, better retention, better selection, et cetera.

What Capabilities Do You Need To Build Or Continue To Win?

Talent management requires specific skills that are not always common within HR. Think about marketing to become a more attractive employer. Another example is HR data analytics expertise to make sure you get the most out of your existing population. Depending on your focus points, you need to develop different capabilities.

Conclusion

Talent management in an organization aims at ensuring employee recruitment, training and development, performance reviews and their compensation. Working towards enhancing a good talent management system in the organization ensures these components of human resourcecontribute to the success of the organization. The advantages that the components bring to the organization also outweigh the disadvantages considering organizations benefit from these approaches. These ensure the organization attracts highly qualified employees and finds it easy to retain them and hence improving their human resource element. Talent management enhances reviews that prove vital in developing employees. They reveal employee weaknesses and result in the development of training needs and programs that will improve the skills of the employees hence maintaining their talents. Employee talents also develop and change with changes in the organization needs hence increasing and improving their ability to execute their roles. Therefore, the application of talent management proves an ideal approach in employee development and improving the performance of each personnel.

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CHALLENGES AND PROSPECTS OF WOMEN ENTREPRENEURSHIP IN INDIA

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ABSTRACT :

Women entrepreneurship is gaining importance in India in the current economic condition. It has been identified as an effective step toward poverty alleviation in the country. The increasing presence of women in the business field as entrepreneurs has led to the change in the demographic characteristics of business and economic growth of the country. Women-owned businesses enterprises are playing a prominent role in society inspiring others and generating more employment opportunities in the country. However, to promote a balanced growth in the country, there is need for sustainable growth of women entrepreneurs. In India, though women are playing key role in the society, but still their entrepreneurial ability has not been properly tapped due to the lower status of women in the society.

Keywords*: Women Entrepreneurs, Women Entrepreneurship, Women empowerment, Economic Development, India's Growth*

INTRODUCTION

The word Entrepreneur is derived from the French word 'entreprender' which means a person who undertakes the task of bringing together various resources and manages them to achieve desired results and take some share.

Women entrepreneurship is the process in which women initiate a business, gather all resources, undertake risks, face challenges, provides employment to others and manages the business independently. Approximately 1/3rd of the entrepreneurs in the world are women entrepreneurs. Women entrepreneurship in India represents a group of women who are exploring new avenues of economic participation. The entry of the women in organized business is a fairly recent phenomenon.

Women Entrepreneurs may be define as the women or a group of women who commence and operate a business venture. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations,

coordination, administration and control of business and providing effective leadership in all aspects of business.

Government of India has described women entrepreneurs as an enterprise/venture owned and controlled by women having at least financial interest of 51% of the capital and giving at least 51% of employment generated in the organization to women.

Empowerment can be defined in many ways, however, when talking about women's empowerment, empowerment means accepting and allowing people (women) who are on the outside of the decision-making process into it. “This puts a strong emphasis on participation in political structures and formal decision-making and, in the economic sphere, on the ability to obtain an income that enables participation in economic decision-making.

Women Entrepreneurs are highly increasing in the economies of almost all countries. The hidden business potentials of women have been increasing with the growing sensitivity to the role and economic status in the society. The knowledge, Skill and compliance in business are the core reasons for women to come forward into business ventures. Women entrepreneurs engage in business due to push and pull factors which give confidence to women to have an self-sufficient occupation and stands on their foots. Right efforts in all areas are vital in the development of women entrepreneurs and their greater involvement in the entrepreneurial activities.

Traditionally our society is male dominated and women were not treated as equal partners and they were confined to four walls of the house. In modern societies women have stepped out the house to participate in all sorts of activities.

OBJECTIVES OF THE STUDY

- To identify the obstacles for women entrepreneurship.
- To highlight the problems and challenges faced by women entrepreneurs
- To identify the opportunities available for women entrepreneurs.
- To study the support given by the government to women entrepreneurs.

RESEARCH METHODOLOGY:

For any study there must be data for analysis purpose. It can be collected from various sources.

The secondary data is collected from review of past researches and other reports, books, journals, magazines, websites and newspapers.

REASONS FOR WOMEN OPTING FOR ENTREPRENEURSHIP

Self determination, expectation for recognition, self esteem and career goal are the key drivers for taking up entrepreneurship by women. Sometimes, women chose such career path for discovering their inner potential, caliber in order to achieve self satisfaction. It can also provide a mean to make best use of their leisure hours. However, dismal economic conditions of the women arising out of unemployment in the family and divorce can compel women into entrepreneurial activities.

OBSTACLES FOR WOMEN ENTREPRENEURSHIP

The entrepreneurial process is the same for men and women, there are however, in practice, many problems faced by women, which are of different dimensions and magnitudes, which prevent them from realizing their full potential as entrepreneurs. A few obstacles can be detailed as;

- **Lack of confidence –** In general, women lack confidence in their strength and competence. The family members and the society are reluctant to stand beside their entrepreneurial growth. To a certain extent, this situation is changing among Indian women and yet to face a tremendous change to increase the rate of growth in entrepreneurship.
- **Socio-cultural barriers –** Women‘s family and personal obligations are sometimes a great barrier for succeeding in business career. Only few women are able to manage both home and business efficiently, devoting enough time to perform all their responsibilities in priority.
- **Market-oriented risks –** Stiff competition in the market and lack of mobility of women make the dependence of women entrepreneurs on middleman indispensable. Many business women find it difficult to capture the market and make their products popular. They are not fully aware of the changing market conditions and hence can effectively utilize the services of media and internet.
- **Motivational factors –** Self motivation can be realized through a mind set for a successful business, attitude to take up risk and behaviour towards the business society by shouldering the social responsibilities.
- **Knowledge in Business Administration –** Women must be educated and trained constantly to acquire the skills and knowledge in all the functional areas of business management. This can facilitate women to excel in decision making process and develop a good business network.
- **Awareness about the financial assistance –** Various institutions in the financial sector extend their maximum support in the form of incentives, loans, schemes etc.Even then every woman entrepreneur may not be aware of all the assistance

provided by the institutions. So the sincere efforts taken towards women entrepreneurs may not reach the entrepreneurs in rural and backward areas.

- **Exposed to the training programs** - Training programs and workshops for every type of entrepreneur is available through the social and welfare associations, based on duration, skill and the purpose of the training program. Such programs are really useful to new, rural and young entrepreneurs who want to set up a small and medium scale unit on their own.
- **Other factors are family support,** Government policies, financial assistance from public and private institutions and also the environment suitable for women to establish business units.

ISSUES AND CHALLENGES FACED BY WOMEN ENTREPRENEURS:

- **Problem of Finance:**

Finance is regarded as "life-blood" for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts.

Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited. Secondly, the banks also consider women less credit-worthy and discourage women borrowers on the belief that they can at any time leave their business.

- **Scarcity of Raw Material:**

Most of the women enterprises are plagued by the scarcity of raw material and necessary inputs. Added to this are the high prices of raw material, on the one hand, and getting raw material at the minimum of discount, on the other. The failure of many women co-operatives in 1971 engaged in basket-making is an example how the scarcity of raw material sounds the death-knell of enterprises run by women.

- **Stiff Competition:**

Women entrepreneurs do not have organizational set-up to pump in a lot of money for canvassing and advertisement. Thus, they have to face a stiff competition for marketing their products with both organized sector and their male counterparts. Such a competition ultimately results in the liquidation of women enterprises.

- **Limited Mobility:**

Unlike men, women mobility in India is highly limited due to various reasons. A single woman asking for room is still looked upon suspicion. Cumbersome exercise involved in starting an enterprise coupled with the officials humiliating attitude towards women compels them to give up idea of starting an enterprise.

- **Family Ties:**

In India, it is mainly a women's duty to look after the children and other members of the family. Man plays a secondary role only. In case of married women, she has to strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business.

- **Lack of Education:**

In India, around three-fifths (60%) of women are still illiterate. Illiteracy is the root cause of socio-economic problems. Women are generally denied of higher education, especially in rural areas and under developed countries. Women are not allowed to enrich their knowledge in technical and research areas to introduce new products. Due to the lack of education and that too qualitative education, women are not aware of business, technology and market knowledge. Also, lack of education causes low achievement motivation among women.

- **Male-Dominated Society:**

Male chauvinism is still the order of the day in India. The Constitution of India speaks of equality between sexes. But, in practice, women are looked upon as abla, i.e. weak in all respects. Women suffer from male reservations about a women's role, ability and capacity and are treated accordingly. In nutshell, in the male-dominated Indian society, women are not treated equal to men. This, in turn, serves as a barrier to women entry into business.

- **Low Risk-Bearing Ability:**

Women in India lead a protected life. They are less educated and economically not self-dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk-bearing is an essential requisite of a successful entrepreneur.

- **Defying social expectations:**

Most female business owners who have attended networking events can relate to this scenario: You walk into a crowded seminar and can count the number of women there on one hand. When women entrepreneurs talk business with primarily male executives, it can be unnerving.

- **Role Conflict:**

Marriage and family life are given more importance than career and social life in Indian society. As an entrepreneur, women not only invest all their time in business but also in fulfilling their family responsibilities. This poses a hindrance to their professional growth.

OPPORTUNITIES FOR WOMEN ENTREPRENEURSHIP

Highly educated, technically sound and professionally qualified women should be encouraged for managing their own business, rather than dependent on wage employment outlets. The unexplored talents of young women can be identified, trained and used for various types of industries to increase the productivity in the industrial sector. A desirable environment is necessary for every woman to inculcate entrepreneurial values and involve greatly in business dealings. The additional business opportunities that are recently approaching for women entrepreneurs are:

- **Eco-friendly technology:** This topic is of interest across governments, academia and the private sector; various studies define the term differently. Women play an essential role in the management of natural resources, including soil, water, forests and energy and often have a profound traditional and contemporary knowledge of the natural world around them. It is the responsibility of governments to make the green economy sustainable through a range of policies which would assure a fuller role for women.
- **Bio-technology:** As the 21st Century gears up towards becoming more technologically advanced. The role of education and training in biotechnology for women is becoming more pronounced than ever. Women are certainly able, and willing, to do highquality research that leads to important commercial outcomes. Biotechnology companies have shown great desire to hire female scientists and provide them with the requisite resources to do highcaliber research; companies must make sure that women participate fully in one of the final aspects of the R&D process, acquiring a patent. In doing so, firms will quite likely reap many more benefits from their research activities.
- **IT enabled enterprises:** Business component of entrepreneurship development for women. The Women's Institutes plays a unique role in providing women with educational opportunities and the chance to build new skills, to take part in a wide variety of activities and to campaign on issues that matter to them and their communities.
- **Event Management:** Event management is the application of project management to the creation and development of festivals, events and conferences. Women are creative, intuitive and driven this management should be embraced whether the women is young, old, married, single or a mother.
- **Tourism Industry:** It is well known fact that tourism has become a major force in the economy of the world. The role of women entrepreneurs in tourism sector will play a major role in promoting the tourism business. Women entrepreneur is one of the most important inputs in the tourism development of a country or of the regions within the country which promotes the tourism business.

- **Telecommunication:** Supporting women entrepreneurs is essential to stimulate growth. Telecommunication is relevant for women entrepreneurs in a modern world to enter into contracts. Generally contracts that women entrepreneurs enter into using Information and Communication Technologies (ICT) are easy to enforce without any hurdles.
- **Plastic Materials:** The increasing quantities of plastics waste and their effective and safe disposal has become a matter of public concern. Recycling of a material would produce a fresh supply of the same material—for example, used office paper would be converted into new office paper, or used foamed polystyrene into new polystyrene and it will also create a good business for women entrepreneurs.
- **Sericulture:** It is an occupation by women and for women because women form more than 60% of the workforce and 80% of silk is consumed by them.
- **Floriculture:** Floriculture is a booming sector for women entrepreneurs in rural India. Commercial floriculture is becoming important from the export angle. The liberalization of industrial and trade policies paved the way for development of export oriented production of cut flowers and this business have great opportunities for women.
- **Food, fruits &vegetable processing:** India has emerged as one of the top most food producing country in the world. Fruits and vegetables are grown in plenty in India. Fruits and vegetables processing offers potential for high value addition and potential entrepreneurs can earn a lot from such products mainly women entrepreneurs.
- **Other Industries:** Agarbatti making, papad making, embroidery, handicrafts, catering services, beauty parlors, pickle manufacturing, running restaurant, snack bars ect.

REMEDIAL MEASURES

Some of the remedial measures that can be undertaken to promote women entrepreneurship in India are as follows.

- **Promotional Help**

Government and NGOs must provide assistance to entrepreneurs, both in financial and non financial areas.

- **Training**

Women entrepreneurs must be given training to operate and run a business successfully. Training has to be given to women who are still reluctant to take up the entrepreneurial task and creating social awareness through education.

- **Selection of Machinery and Technology**

Women require assistance in selection of machinery and technology. Assistance must be provided to them in technical areas so that the business units become successful.

- **Finance**

Finance is one of the major problems faced by women entrepreneurs. Both family and government organizations should be liberal in providing financial assistance to them and providing of separate finance cells for women.

- **Marketing Assistance**

Due to limited mobility, women are unable to market their goods. Assistance must be provided to help them to market their goods successfully in the economic environment.

- **Family support**

Family should support women entrepreneurs and encourage them to establish and run business successfully.

GOVERNMENT SUPPORT: WOMEN ENTREPRENEURS

The industrial policies of the Government announced from time to time, have laid considerable emphasis on promotion of women entrepreneurship, particularly among first generation women entrepreneurs, through various training and support services. Special attention is being given by organizing exclusive Entrepreneurship Development Programmes (EDPs) for women. Promotion of women entrepreneurs is a prerequisite for overall economic growth and more targeted initiatives are also needed to support women entrepreneurs.

Organisations Promoting Women Entrepreneurship in India

- **National Resource Centre for Women (NRCW)**

An autonomous body set up under the National Commission for Women Act, 1990 to orient and sensitise policy planners towards women's issues, facilitating leadership training and creating a national database in the field of women's development.

- **Women's India Trust (WIT)**

WIT is a charitable organisation established in 1968 to develop skills of women and to earn a regular income by providing training and employment opportunities to the needy and unskilled women of all communities in and around Mumbai.

- **Women Development Corporation (WDC)**

WDCs were set up in 1986 to create sustained income generating activities for women to provide better employment avenues for women so as to make them economically independent and self- reliant.

- **Development of Women and Children in Urban Area (DWCUA)**

DWCUA was introduced in 1997 to organise the urban poor among women in socio-economic self-employment activity groups with the dual objective of providing self-employment opportunities and social strength to them.

- **Association of Women Entrepreneurs of Karnataka (AWAKE)**

AWAKE was constituted by a team of women entrepreneurs in Bangalore with a view to helping other women in different ways –to prepare project report, to secure finance, to choose and use a product, to deal with bureaucratic hassles, to tackle labour problems, etc.

- **Working Women's Forum (WWF)**

WWF was founded in Chennai for the development of poor working women to rescue petty traders from the clutches of middlemen and to make them confident entrepreneurs in their own right. The beneficiaries are fisher women, lace makers, beedi making women, landless women, labourers and agarbathi workers.

- **Association of Women Entrepreneurs of Small Scale Industries (AWESSI)**

It was founded in Ambattur in Chennai in 1984 to promote, protect and encourage women entrepreneurs and their interests in South India to seek work and co-operate with the Central and State Government services and other Government agencies and to promote measures for the furtherance and protection of small-scale industries.

- **Aid The Weaker Trust (ATWT)**

ATWT was constituted in Bangalore by a group of activists to impart training to women in printing. It is the only one in Asia. Its benefits are available to women all over Karnataka. It provides economic assistance and equips girls with expertise in various aspects of printing and building up self- confidence.

- **Self- Employed Women's Association (SEWA)**

SEWA is a trade union registered in 1972. It is an organisation of poor self-employed women workers. SEWA's main goals are to organise women workers to obtain full employment and self- reliance.

- **Women Entrepreneurship of Maharashtra (WIMA)**

It was set up in 1985 with its head office in Pune to provide a forum for members and to help them sell their products. It also provides training to its members. It has established industrial estates in New Mumbai and Hadapsar.

- **Self- Help Group (SHG)**

An association of women, constituted mainly for the purpose of uplifting the women belonging to the Below Poverty Line (BPL) categories to the Above Poverty Line (APL) category. The major activities of the group are income generation programmes, informal banking, credit, unions, health, nutritional programmes, etc.

- **The National Resource Centre for Women (NRCW)**

An autonomous body set up to orient and sensitise policy planners towards women's issues, facilitating leadership training and creating a national data base in the field of women's development.

- **Women Development Cells (WDC)**

In order to streamline gender development in banking and to have focused attention on coverage of women by banks, NABARD has been supporting setting up of Women Development Cells (WDCs) in Regional Rural Banks and Cooperative Banks.

- **Trade related entrepreneurship assistance and development scheme for women (TREAD):**

With the objective of encouraging women in starting their own ventures, government launched a Scheme, namely Trade Related Entrepreneurship Assistance and Development during the 11th Plan. The scheme envisaged economic empowerment of women through the development of their entrepreneurial skills in non-farm activities.

- Dena Bank to support India's women entrepreneur. Dena Bank will help Government of India's initiative to promote women entrepreneurs for self-employment ventures in any kind of non-farm activity.
- Other the Government of India schemes for women: Assistance to Rural Women in Non-Farm Development (ARWIND) schemes, Entrepreneurial Development programme (EDPs), Indira Mahila Yojana, Integrated Rural Development Programme (IRDP), Khadi And Village Industries Commission (KVIC), Marketing of Non-Farm Products of Rural Women (MAHIMA), Mahila Vikas Nidhi, Mahila Samiti Yojana, SIDBI's Mahila Udyam Nidhi, SBI's Stree Shakti Scheme, etc.

Financial Institutions Assisting Women Entrepreneurship in India

For the past several years, financial institutions have been playing a pivotal role in giving financial assistance and consultancy services to women entrepreneurs. These institutions include:

- National Small Industries Corporation (NSIC),
- All-India Development Banks (AIDBs), viz. IDBI, IFCI, ICICI , IIBI, IDFC and SIDBI,
- Specialised Financial Institutions (SFIs), viz. Exim Bank and NABARD,
- Investment Institutions, viz. LIC, GIC, NIC, NIA, OIC, UII and UTI,
- Regional/ State-Level Institutions, viz. NEDFI, SIDCs and SFCs ,
- Commercial Banks,
- Co-operative Banks, etc.

CONCLUSION

"Women have full freedom to work and prosper. From the moment they go out of their homes they are human beings: business woman has the same weight as a business man."

Women entrepreneurship is gaining importance in India in the wake of economic, liberalization & globalization. Empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation in the business. Apart from training programs, Newsletters, mentoring, trade fairs and exhibitions also can be a source for entrepreneurial development.

Henceforth, promoting entrepreneurship among women is certainly a short-cut to rapid economic growth and development. Let us try to eliminate all forms of gender discrimination and thus allow 'women' to be an entrepreneur at par with men.

Therefore, general measures can be adopted to encourage and develop women entrepreneurship in India because women entrepreneurship is necessary for the growth of any economy weather it large or small. The policy & institutional framework for developing entrepreneurial skills, providing vocation education & training has winded the horizon for economic empowerment of women Indian women are no longer restricted to being homemakers Now, they are considered as backbone of not Just their own homer but the economy of country. That's why it is rightly said that "women wear too many hats".

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AN OVERVIEW ON THE IMPACT AND CHALLENGES OF CROSS BORDER MERGERS &ACQUISITIONS

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INTRODUCTION

Cross-border Mergers &Acquisitions became an instrument to pursue a business in global markets. It is extensively used for restructuring the business organizations. Companies undertake mergers and acquisitions based on strategic business motivations that are, in principal, economic in nature. Ross-Westerfield-Jordan (2003) "A merger is the complete absorption of one firm by another, wherein the acquiring firm retains the identity and the acquired firm ceases to exist as a separate entity". According to Grant Thornton's latest M&A Deal tracker, Corporate India witnessed 28 merger and acquisition worth USD 1.5 billion in October this year (The Economic Times, 21st Nov, 2019).In the past decades, M&A activities have increased since 2000 when Asian market started following the trend of U.S and Europe to cope with the downturn of economic and financial markets. Emerging countries such as India, China, South Korea and some ASEAN (Association of Southeast Asian Nations) nations entered into the M&A activity as new major players in global market. Post 2008 global financial crisis, all Indians companies are looking for international companies, especially in the west to increase market share or augment efficiencies. This shift is especially visible in the Information Technology, Metals, Pharmaceuticals and Life Sciences and Automobile and ancillaries sectors.

Objectives of the Study

1. To identify the reason of increasing trend in merger and acquisition.
2. To identify the impact of M&A on employees, customers, shareholders and overall financial markets.
3. To examine the challenges of cross border merger and acquisition particularly in the post

Acquisition stage and evaluate measures that can be taken to minimize the challenges in cross border merger and acquisition.

Research methodology:

The researcher has done an extensive review of the existing literature, with an explanation of the theoretical base used. She also has examined cross border merger and acquisitions as a mode of entry, as a dynamic learning process, and as a value-creating (or destroying) strategy.

Review of Literature

Harpreet Singh Bedi (2010) in his paper "Merger & Acquisition in India: An Analytical Study" explores the trends and progress in M & As in India. It also considers various factors that have facilitated in Progress and execution of M & As in India.

Upendrabhai Pandya (2017) in the paper "Mergers and Acquisitions Trends – The Indian Experience" tries to measures the mergers and acquisitions sector of India from 1991 to 2010 with the help of time-series data along with major recent worldwide development. This paper also tries to categorize trends in manufacturing and non-manufacturing sectors to provide definite evidence for motives and reasons behind the particular behavior observed, and the prospective future of mergers and acquisitions activity in India.

Many scholars have pointed out some of the key factors that necessitates small to medium size businesses to engage in M&A deals. These include factors such as

- Mergers for market dominance; economies of scale
- Mergers for channel control
- Mergers for risk spreading, cost cutting, synergies, defensive drivers
- Growth for world class leadership and global reach
- Survival; critical mass; sales maximization
- Acquisition of cash, deferred taxes, and excess debt capacity
- Move quickly and inexpensively
- Bigger asset base to leverage borrowing
- Financial gain and personal power
- Gaining a core competence to do more combinations
- Acquiring talent, knowledge, and technology

Though the rationale behind an M&A deal might be good, it is not always successful due to the complexities involved in the process. Peikkari et.al (2016) has argued that roughly two of every three meager deals have failed and one of the reasons for this failure is the poor handling of human resources. This is true because (until recently) HRM has not been given its due importance in the M&A process. "Plenty of attention is paid to the legal, financial, and operational elements of mergers and acquisitions. But executives who have been through the merger process now recognize that in today's economy, the management of the human side of change is the real key to maximizing the value of a deal" David Kidd for instance, a partner at Egon Zehner International in Chicago, shared his sentiments in this light when he

noted "Given the well-publicized war for talent, I am constantly surprised by how little attention is paid to the matter of human capital during mergers."There are several reasons why many small to medium size businesses do neglect people issues during an M&A deal.

The failure of organizational mergers and acquisitions can be attributed to issues of human resources (Morley, 2007). Morley stressed that benefits and compensation packages due employees are often disregarded. When this situation occurs, employees fail to deliver. This would cause the functioning of the organization to take a nose-dive and also have a telling effect on profit. In 1993, Vinten carried out a research and the findings revealed that it is not uncommon for human resources to be overlooked during mergers and acquisitions. In spite of this, he further acknowledged the essential role played by human resource during a merger or acquisition process. He suggests that behavioral solutions be made available to the concerns of employees prior to mergers and acquisitions of organizations. This would help deal with any psychological setbacks during the merger or acquisition process.

Schraeder and Self (2003) carried out a research study with the objective of identifying the factors needed to be taken into perspective during the undertaking of mergers and acquisitions. Among the various factors the focused one was organizational culture. They affirm that organizations should acknowledge the different organizational cultures of the merging companies and should never undervalue these organizational cultures. They further argue that mergers and acquisitions can lead to institutional culture being lost and destruction of core values held by these institutions. As a remedy for this challenge, Schraeder and Self call on the management of institutions involved in mergers and acquisitions to map out plan on how to integrate the different institutional cultures that are in existence. This creates an optimism of improving the success rate of mergers and acquisitions, some of these factors include:

The belief that they are too soft, and, therefore, hard to manage

- Lack of concern by top management for the impact on employees, unions &communities
- Lack of awareness or consensus that people issues are critical
- No spokesperson to articulate these issues
- No model or framework that can serve as a tool to systematically understand and manage the people issues.

Research Gap:

The main attention in M&A activity is on various activities i.e., finance, accounting, and manufacturing. But it's essential for businesses to realize that people issues cannot be ignored during an M&A activity. Because of the human issues that develop during these activities, there are certain HR concerns which small to medium size businesses must not ignore. In this work, the researcher discuss some of these concerns and conclude with my views on the role HRM could play to assist these businesses during M&A deals.

Research Design and Methodology:

After going through the relevant knowledge literature review, the researcher has identified four focus areas that should have a place in an integrated approach for realizing a successful merger or acquisition, as can be seen in figure1.

Besides assessing the value creation by defining a growth strategy and managing the synergies that are to be realized in the due diligence phase, the integration of the businesses should be managed up front to realize a head start from day one of the integration.

For a successful merger it is crucial to spot potential mismatches and prevent them from causing problems after the merger is completed. When for example the Acquirer imposes the Takeover target to discard the used software and switch to new software and IT systems, this should not keep the organisation from executing its operations. Managing the risks of an integration is therefore one of the factors that determines the success of a merger. Additionally, careful communication about the integration steps and cultural changes, while respecting the presence of the existing culture should contribute to the acceptance of changes and an increased engagement and alignment between both parties.

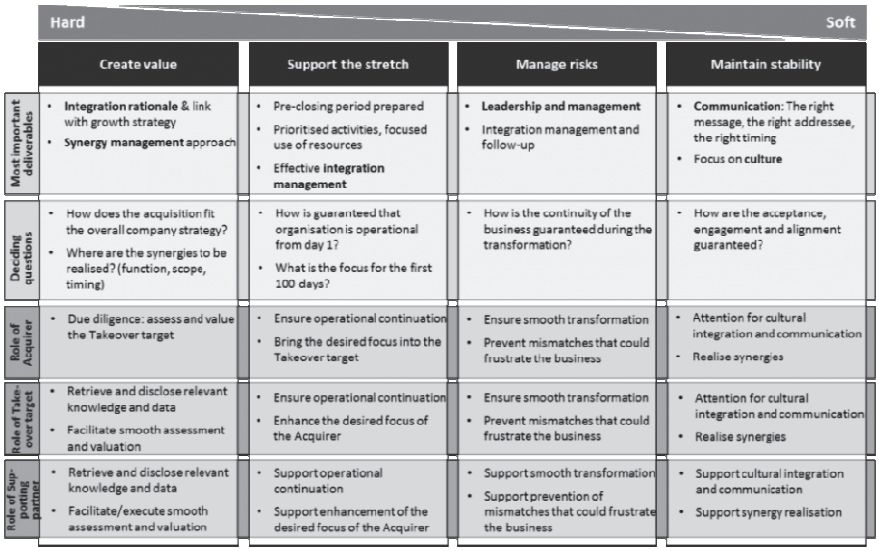

Figure:1

However, even though PE firms have enough knowledge when it comes to assessing the financial state and business organisation, they often do not have enough specific experience or knowledge about the company that is to be bought regarding the relevant sector, its position in the market and its competitors, the internal operational organisation and specific business processes. PE firms therefore frequently have to rely on the knowledge of external experts for properly evaluating the extent of the opportunity, i.e. the potential of increasing the value of the business. The supporting party or Intermediary therefore has a special role in mergers and acquisitions.

The Acquirer

Most of the Acquirer's main challenges manifest themselves during the post-merger integration phase when the actual realization of the merger or acquisition takes place. It is up to the Acquirer to prepare both organizations for a smooth integration and mitigate risks that could harm the business or the integration itself. The Acquirer is for these aspects dependent on the Takeover target and supporting partner.

The Takeover target

At the opposite side of the table, the party that is to be bought (i.e. the Takeover target) has an incentive to benefit as much from the merger or acquisition as possible, either in money, increased business value or in another way. The assessment of the Takeover target is primarily to be supported by the Takeover target itself, which should be able to disclose most of the relevant information to the experts of the buying firm. Internal experts per relevant topic are often the first people to be consulted for retrieving the requested data or information. However, the demanded information or data might not be immediately available or might need some extra analysis before it can be presented or disclosed. When the data retrieving demands too much of the present employees besides their operational tasks, external expertise from a Supporting partner could provide a solution.

The Supporting partner

During the merger or acquisition process, the Supporting partner(s) should focus on three strategic transaction support elements:

- Value focus (i.e. acquisition strategy and target assessment),
- Value increase (i.e. strategic and operational due diligence) and
- Value realization (i.e. integration planning management and post-merger integration)

For all three elements, the Supporting partner should use its sectoral knowledge, knowledge of the business processes of the Takeover target and internal organizational structure (where to find which information/data). When the Takeover target has its base in the energy sector, the understanding and overview of the

complete energy value chain is a must, while at the same time, the detailed insight of the organisation and its business processes is necessary for understanding how the vital competencies are distributed within the business.

Next to a functional role in the merger or acquisition process, the party that is to be taken over might already relies on external experts for its business operations. It is therefore important for the Acquirer to investigate the independence of the Takeover target. For a party that is taking over a competitor in a new market, like an foreign energy company entering the Dutch energy retail market, the market ties of the party that is to be bought might be very valuable, as they can support the needed establishment in the target market. Recognizing the need for this external knowledge and existing bonds with a supporting partner is a first step towards realizing the growth targets of the Acquirer. Discontinuing external expert consulting prematurely, on the other hand, can be a risky measure for cutting costs. This might damage the operations and development of the Takeover target significantly on the longer term.

Discussion:

Impact on the employee

The very first concern HR has when a small to medium size business engages in a cross-border merger or acquisition deal is how it will impact the employees of both businesses. To attend to these concerns, Eric Swenson (2017) recommends that as the merger process begins, businesses should do a people management and human resources audits. They should find out what the issues surrounding the deal are, what the outstanding compliance issues are, how human resource's needs have been managed in the past? What exposures are there? Are there any potential lawsuits from former employees, current employees etc. HR should be concerned about doing an employee engagement survey. All of this information would greatly help HR as it consolidates the teams during the merging process.

Market System of each company

Another HRM concern which small to medium size businesses must not ignore when engaging in an M&A deal is the type of market systems which each company has been dealing with. Aguilera and Dencker (2011) explain that there are two possible market systems that a company might be dealing with. They are namely; liberal market economies (LME) and co-ordinate market economies (CME). The former depend on market conditions like demand and supply forces while the latter depend on the relationship between employees, suppliers, customers and financial institutions etc. This basic difference posses a huge challenge for companies undergoing M&A especially if they are from these different market economies.

Beliefs and values of each company

The beliefs and values of each company is another HR concern to consider during an M&A deal as there can be a clash of interest when coming together. Edward and Rees do agree in their research that nationalities and cultures of the two merging companies have a huge impact on the outcome of the post-merger company. This has an important HR implication because certain cultural issues such as common cultural language, if not well handled during the M&A process, may lead to devastating effect on the entire company.

Hence the different cultural and belief system of the two companies is a major HR concern which small to medium size companies must consider during an M&A deal. It is true that not every factor in an M&A deal is within the control of HR but a proactive concern on culture can help protect small to medium size businesses against merger bumps and bruises. HR should encourage individuals to play the praise game rather than the blame game as this would turn negativity into positivity among employees.

Communication systems in each company: The communication system in each company, especially between the employers and the employees, is another very important HR concern. This is not about language barriers but communication based on employer-employee relationship. Communication variance is often influenced by the corporate culture of each organization; "one company may be driven by a sales mentality while another may be focused on innovation. Or decisions in one company may be top down while the other may be used to more participative decision making. HR is concerned about how best to communicate change to the employees according to their corporate culture because it is often a traumatic situation for employees of the acquired company to learn about the M&A deal while it is already in process or on TV rather than hearing the message directly from the company. HR is concerned in ensuring that the employees are aware of this change in a way that will not be traumatizing to them and for this to happen, HR is concerned in ensuring that the employees fully understand the necessity for the change and how it will be to their benefit.

Employee benefits in the post merger business:

During an M&A deal, HR is equally concerned to know how the benefits, compensation, contracts etc in the merged business would look like. This involves studying the compensation policy of both businesses and comparing them against each other in order to reasonably determine the nature of things in the merged business as far as benefits, compensation and contracts are concerned.

Forming an M&A team:

Due to the complexities involved in M&A deals, HR is also concerned in forming a team that would focus solely on the M&A transactions. However, not only is HR concerned about forming an M&A team but also a team leader who will lead the team in all the transactions. This team leader would focus solely on the matters concerning the M&A and not be involved in running the business during this period. HR is concerned in ensuring that this leader properly spearheads the M&A process while being sensitive to the cultural differences of each company.

This is very vital in the M&A deal because the CEO in a company cannot singlehandedly spearhead such a deal. He will need assistance from a dedicated team that will work on providing the company with an overall strategy on how to go about the deal in such a way that individuals within the companies are well managed leading to improvement of performance in the post merger company.

Finding and Suggestion:

As M&A s increasingly gain recognition as the essential mechanism for organizational growth, it is very important for small to medium size businesses to consider the role of HR in these deals. "Understanding the contribution of human resource management (HRM) to the effectiveness of M&A activity has been a topic of significant interest within and beyond the HR literature.

First, HR must help the company by assessing the cultures of the two companies to determine whether they can work with each other well. Second, HR should help the company by undertaking a human capital audit and select the management team that will go functional in the post-merger company. Third, they should develop a program that goals at training employees to cope with stress and anxiety which often develops during the period of merger. This will help the employees to go through the transition smoothly.

Fourth, they should enhance the communication system of the organization such that information is transparent to all and should be clearly communicated to employees during launch or via email etc. this will help each employee to be aware of the situation of the company and will close the doors for unnecessary anxiety that may affect their performance. Fifth, HR should be keen in observing good talent in both companies as they merge and must endeavor to retain employees who are most talented to carry on in the post-merger company. And sixth, HR should work on creating a new culture in the merged company. This should be done systematically and should result in fine-tuning the merged company into a coherent whole such that there will be no discrimination and an 'us' vs. 'them' phenomenon within the company.

Conclusion:

The research has entailed four challenges; creating value, supporting the stretch, managing risks and maintaining stability in the process of Merger and acquisition through strategic due diligence, market research, scenario analysis and defining the strategies for realizing synergies.

Mergers result in the unification of more than one company and the acquiring company takes over both the assets and liabilities of the acquired firm. In an acquisition however, one company buys out another company completely. The spate of mergers and acquisitions and mergers between organizations and experimental proof accounts for the following reasons:

- Increased competition.
- Institutions facing financial problems.
- Move by companies to penetrate new markets.
- Globalization.
- Technological development.

Companies stand in good stead as a result of mergers and acquisitions. Notable among these advantages are:

- Economies of scale.
- Increase in market share.
- Increase in market share.

In spite of these benefits, the merger and acquisition process is saddled by many challenges viz.:

- Integration of organizational cultures.
- Incorporation of organizational activities.
- Administration of the functions of human resource.

Thus companies with the desire of venturing into mergers and acquisitions should follow due diligence in order to establish the effect of these ventures on the performance of their organization subsequently. Additionally, employee involvement during mergers and acquisitions should be encouraged. When these recommendations are instituted, companies stand in good stead with respect to competition with their rivals.

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"GREEN HUMAN RESOURCE MANAGEMENT AS A MOST CONTEMPORARY ISSUE IN HRM: AN OVERVIEW"

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ABSTRACT :

A new concept in HRM and Management came in to existence and it is known as GHRM. The business & corporate world becomes globalised and it transforms itself from a financial based structure to a modern competency based structure. Every organization and corporate consider all social & environmental impacts for their long run benefits. Thus, the organizations are not only focusing on technical & Managerial competencies but they are also focusing on developing and innovating policies for making eco-friendly environment. GHRM deals with all HR activities such as Human resource planning, Recruitment, selection, Training, compensation, employee relation etc. with environment Friendly view. Green Human Resource Management (GHRM) plays important role for organizational sustainability and its growth and become a key business strategy for the organization success. GHRM involve environment-friendly HR initiatives resulting in greater efficiencies, lower costs and better employee engagement and retention. The paper aims to focus on the concept of GHRM, its policies and practices which is pursued by organizations all over the world. The study also includes the process, functions and the benefits of GHRM with the comparison of companies using GHRM and companies not using GHRM.. Hope fully the study will be effective and will create an interest for researchers, students and academicians.

Keywords *- Green Human Resources Management (GHRM), Environmental Sustainability, Human Resource Management.*

INTRODUCTION

Contemporary that means, belonging to the present - here and now. when we are talking about contemporary issues in HRM it is related to the current issues in HRM . Now a day's Human resource managers faces an innumerable challenges with today's workforce. There are issues concerning the diverse workforce, work place and legislation which affect the overall organization. The technologies are at the top of the list of challenges. In the business world there is a changing environment like in the rest of the world and every organizations remold themselves and reshapes themselves, and formulate various kinds of policies regarding changes which is

essential for their survive in the changing environment. In HRM some major contemporary issues are –

1. IHRM (International Human Resources Management
2. Career management and Development
3. SHRM (Strategic Human Resources Management)
4. Organizational Development and change
5. Employee Benefits and compensation
6. GHRM (Green Human Resources Management)

Before discussing about GHRM we should know about Green Management. Why should an organization go green? And what are the benefits of it? There are many questions that come to mind when we talk of Green Organization. According to (K. H. Lee-2009) Green management is defined as the process whereby companies manage the environment by developing environmental management strategies.

Green management refers to the management of corporate interaction with, and impact upon, the environment (K. H. Lee and R. Ball-2003). Going green has many benefits attached to it.

- Increased employee satisfaction with their job and organization as a good culture and environment resulted in better productivity and retention (lower employee turnover ratio)
- Improvement in efficiency and effectiveness in workforce and organization itself resulted in increased morale of employees.
- Optimal consumption of energy, water, and raw materials resulted in eco-friendly environment.
- Protecting the Organization dependence on energy and water needs.
- Initiates sustainable green practices which can make the organization achiever in the competitive corporate world with the increasing brand image .

The Green HRM is one emerging issue by which organization formulates and implements policies and procedures for benefit of organization as well as for society. Green HRM focuses on rules, regulations, recruitment, selection, induction, training, performance appraisal, counseling, safety and welfare concern of employees.

Recent business world is totally becomes globalised thus every organization can only survive in this competitive business environment by maintaining eco-friendly environment. Natural resources are vital resource for an organization and It is the responsibility of every organization to implement an eco-friendly system to create a healthy environment for long term sustainability. GHRM as a part of HRM utilizes

various HRM policies with its primary objective of promoting the sustainable use of resources within the business organizations. It also ensures the promotion of environmental sustainability.

So, what the sustainability means? Sustainability can be defined as a process of businesses which makes the organization profitable by focusing on socio-economic background and maintaining environment eco-friendly It can be defined by three components environmental protection, economic growth and social equity. Every Organization in this competitive Environment may survive only through Sustainable development, thus the organizations are maintaining a balance between Profit, Planet and People. A Sustainable organization can be defined as an undertaking that all together gives economic, social, and environmental benefits- known as the "Triple bottom line". Sustainability could be seen recently by many organizations and becomes increasingly necessary to make Organization, its employees and society beneficial.

OBJECTIVE

The main purpose of this study is to:

1. Provide an understanding of Contemporary Issue of HRM and green HRM.
2. Elaborate the practices that are useful for organizational workplace for going green.
3. Highlights the function & process.
4. Identify the significance of green HRM.

METHODOLOGY

The paper aims at providing an understanding the concepts, policies and practices of Green Human Resource Management. The study is based upon the secondary data. For this purpose literature related to the topic from different databases, websites and other available sources were collected such as books, journal e-papers .for making study effective collected literature reviewed systematically.

LITERATURE REVIEW

Earlier the economic performance and success of organizations was depend on quality and stakeholders, but it is no longer suitable .Now a day's environment compels businesses to move towards sustainable operations and formulate green policies. In every organization HR Executives are enthusiastically working to transform and reshape their organization as such to become champions by adapting environment-friendly strategies .The Green HRM approach or the new strategic problem corporate environmentalism is appeared in 1990s and known globally in 2000s. Daily and Huang (2001) proposed that organizations essentially need to

balance the industrial growth as well as preservation of the environment. There are various researchers who support the HRM practices to be effective for promotion of human capital and results in providing to contributors of organizational performance and competitive advantage (Boselie, Paauwe, & Jansen, 2001). Green management is defined as the process whereby companies manage the environment by developing environmental management strategies (Lee, 2009). Green management refers to the management of corporate interaction with, and impact upon, the environment (Lee and Ball, 2003), and it has gone beyond regulatory compliance and needs to include conceptual tools such as pollution prevention, product stewardship and corporate social responsibility (Hart, 2005; Pullman et al., 2009; Siegel, 2009).Various literatures on Green Marketing (Peattie, 1992), Green accounting (Bebbington, 2001; Owen, 1992). The recent interest in environmentalism globally has arisen from specific treaties to combat climate change, e.g. Kyoto 1997, Bali 2007 and Copenhagen 2009 (Victor, 2001). Ulrich, Brockbank, and Johnson (2009) point out that many HR systems need to be aligned with each other in order to increase the likelihood that the organization will achieve its strategy. The successful implementation of these sustainable corporate strategies within an organization requires both strong leadership and a concrete process (Glavas, Senge, & Cooperrider, 2010). Green Reatiling (Kee-hung, Cheng, and Tang, 2010), and Green management in general (McDonagh and Prothero, 1997) have fertilized the concept of Green HRM. There is a need of integration of environmental management into Human Resources (HR) called Green HR (Dutta, 2012). The Human Resource Department of an organization plays a significant role in the creation of their company's sustainability culture (Harmon, Fairfield, & Wirtenberg, 2010). Green HRM focuses on employee's environmental behavior in the company, which in turn, employees can carry on such pattern of consumption in their private life (Muster & Schrader, 2011). Cherian and Jacob (2012) published a comprehensive list in respect of studies on Green HRM. Base on their reviewed studies, very recent studies done in 2010 and 2012. Green human resources refer to using every employee touch point/interface to promote sustainable practices and increase employee awareness and commitments on the issues of sustainability (Mandip, 2012). Fayyazia et al. (2015) said that there is a requirement for the amalgamation of environmental management in Human Resource Management (HRM) because it is essentially or very important rather than just desirable

CONCEPT OF GREEN HRM

The word Green HRM is a new concept in management which plays a vital role in the business world at present and its importance is increasing diverse with the passage of time. As a new concept it attracts researchers and academicians for study and the awareness on environmental management and sustainable development has been increasingly raising day by day all round the globe. The term Green HRM not

only includes awareness toward environmental issues, but also works for the social as well as economical welfare of the organization and the employees within the organization.

Green Human Resource Management integrates HR practices for managing environment. Now a day every organization are using green practice in all areas such as for production, for marketing, for HRM and for financial purpose .The organizations are formulating HR strategies to create environment friendly product and services for society. the organizations are adopting E-planning, E-recruitment and selection, E-meeting, E-training, video conferencing interview , E-communication and also promotes for less paper work and encourages employees to switch off light and computer when they are not in use.

There are some definitions which are given by some authors on GHRM.

According to (Marhatta & Adhikari, 2013, p. 2) "Green HRM is the use of HRM policies to promote the sustainable use of resources within organizations and, more generally promotes the causes of environment sustainability"

Deshwal (2015) stated that Green Human Resources Management (Green HRM) is the use of HRM policies to support the sustainable use of resources within organizations.

According to (Milliman and Clair,1996). Green HRM in welfare and safety management may an effective way to enhance eco friendly.

According to Renwick Green HRM involves an integration of organization's environmental management objectives to the HR processes of recruitment, & selection, training & development, performance management, evaluation and reward.

In simple words GHRM includes the policies, practices, and overall system of an organization which makes the organization green for the benefit of individual, society, natural environment, and the business.

The concept of GHRM can be easily understand by the following figure.

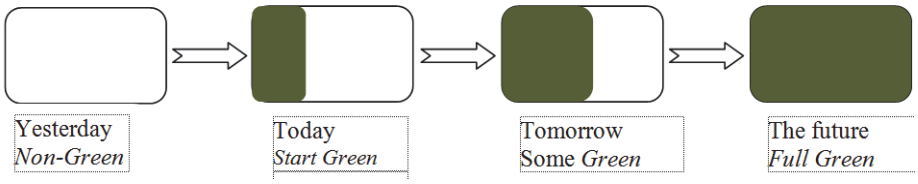

Fig.1- Concept of GHRM.

This figure shows the concept of GHRM starting from non green to full green. The non green block shows-

Yesterday(Non-Green) – it represents no concepts of GHRM. It means previously there was not any concept of GHRM & not any policies were there in the organization regarding it.

Today(Start Green)- The second block shows today which represents current time where the concept of GHRM is arise. The organizations have started to formulate the policies to make the organization green.

Tomorrow(Some Green)- This shows that some organizations adopted and move towards sustainable operations and not only formulate the policies but also implemented it for getting the benefit in this competitive world.

Future (Full Green)- It represents the future environment which is fully eco friendly. This time shows that the policies are forcefully adopted by every organization for making environment fully eco friendly.

PROCESS OF GHRM

Green HRM utilizes the HRM practices to make environment eco- friendly which helps the organization in long term benefit. In order to achieve organizational environmental goals the organization will follow the following steps-

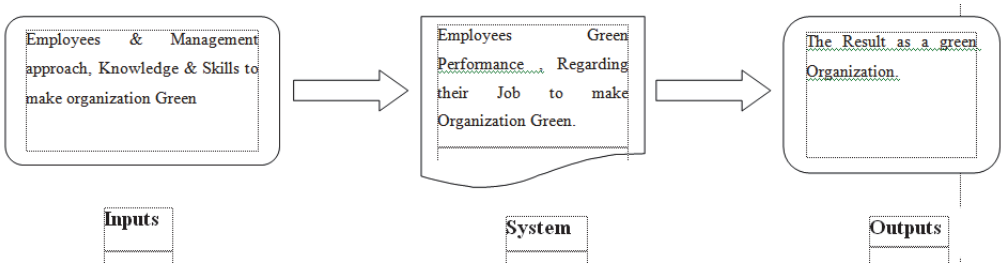

Fig.2 Process of GHRM.

The activities of every business or organization follow the above process which starts from Input, includes various system and end with the output as a result .The process of GHRM also follows the same process.

Input is the first step where the Employees & Management approach, Knowledge & Skills utilizes to formulate the policies to make the organization Green.

System is a Second step it shows Employees green Performance regarding their Job. It means employees are dedicatedly focusing on their performance to make Organization Green. such as less use of paper, conservation of Energy, Sustainable use of resources, Turn off lights, Computer and Printer after work and E-mail communication.

The last step Output shows the result, it means that the whole organization becomes a green organization which represents the fully eco- friendly environment.

FUNCTIONS OF GHRM

GHRM is a new agenda which utilizes its workforce to create a green culture in an organization Green competencies and green attitude such as skills and knowledge of green , green behavior of the workforce will contributes to green organizational performance.

The green initiative can maintain its green objectives all throughout the HRM process of recruiting, hiring and training, compensating, developing, and advancing the firm's human capital. (Hersey,1998). Huslid (1995) mentions the selection processes, incentive compensation, performance management systems, the employee involvement, and training to be central for the company's success. Consequently, the argument is advanced that the HR function is instrumental in realizing organizational change aimed at acclimatizing to the new-found requirements for corporations and therefore also a potentially important contributor to such a strategic issue.

Following are the functions or activities of GHRM which are increasingly adapted by organizations in this competitive and eco-friendly environment.

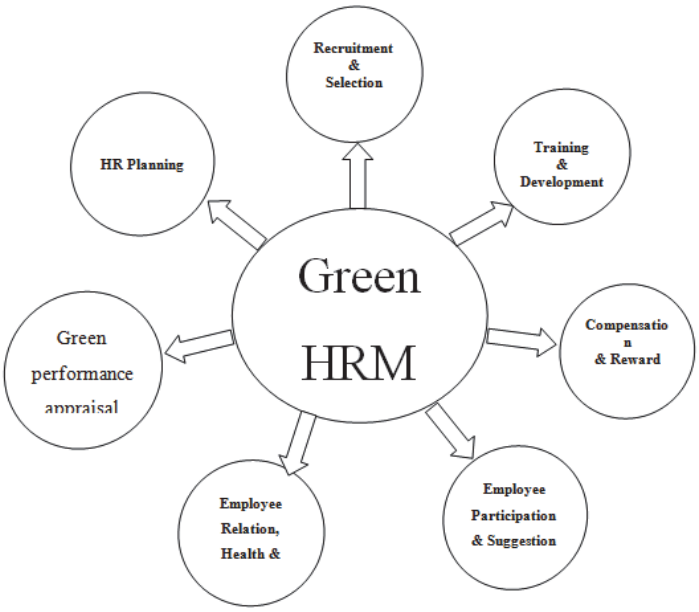

Fig.3 Functions of GHRM.

HR Planning

The Human Resource Department of an organization plays a significant role in the creation of their company's sustainability culture. As we know that the HRM Function starts from HR Planning, so there is a need to make green plans for organization. The advancement of technologies makes it easier to formulate and communicate various plans in organization which is helpful to reduce the use of paper and is also useful to conserve natural resources, prevent pollution.

Green Recruitment

The advanced technologies are helpful to make the recruitment process green It means a paper-free recruitment process with a minimal environmental impact. Green Recruitment becomes effective for all organization with a view to meeting the growing needs for experts in the areas of renewable energy, climate change and sustainable development. The GHRM explains the recruitment process which is aligned with environment-friendly issues. The organizations can post their advertisement or can attract prospective employees on line through job sites or their websites. The candidates can apply for the concerned post on line .they can also gathered information of the organization if they want The organizations can shortlist the candidates and can call them for interview through online process .sometime telephone or video-based interviews are conducted to minimize any travel-related environmental impact.

Green Training & Development

The induction and training program should be framed in such a way that facilitates the new employees about green practices. In organizations seminars, workshop and presentation can be conducted to develop the employees in the green management. The training program should provide the information about sustainable development policies, commitments and green goals of the company. The green training and development process promotes online training method. Which minimizes any travel related environmental impact.

Green Compensation & Reward

The compensation and reward for the employees should be such which can appreciate and motivate the employees .The green compensation and rewards are considered as latent elements that can be used in the support and promotion of the environmental activities in the particular organization or business entity, The modern organizations are focusing on strategic reward and management approaches in order to push for eco-friendly initiatives. Recently most of the organizations adopted the online Compensation and rewarding system. Like the employees are compensated through online process their salary comes directly into their bank account. Even they can gather information regarding their compensation online. In organization the employees can be rewarded for their extra-ordinary effort to make the workplace clean, maintaining health and safety standards, using less paper and so on.

Employee Participation & Suggestion

Employee participation means to include the employees in the decision making process and initiate the employees to give their suggestions in various decisions. Green Employee participation focuses on engaging their employees in implementation of the green initiatives. Organizations should inform the employees on the reasons as to why these green initiatives are important for achieving the green

goal of an organization with the achievement of an employee. The employees' capabilities, goals, motivations, and perceptions with the environmental management techniques will help the organization for optimal achievement of the green initiatives.

Employee Relation, Health & safety

Employee relation means the relations of the employees with the managements regarding job. When the organization initiates the employees for their suggestion in decision making process it increases the belongingness of the employees with their organization. The organization, where each and every employee gets the opportunity to contribute to the strategies for greening, creates greater awareness on green issues, new ideas for eco-friendly practices can comes from them.

The Employees should be motivated for participating and suggesting social and ecological initiatives to create a healthy and safe work place which results in sustainable, competent, efficient and socially responsible employer-employee relationship. Green workplace is defined as a workplace that is environmentally sensitive, resource efficient and socially responsible now a day's organizations are practicing for green health and safety and they a creating such kind of work place where employee stress and occupational disease can be reduced by adopting environmental initiatives

Green performance appraisal

Green performance appraisal motivates employees for use of green practices in organization. Jabbar (2012) studied that human dimensions impacts the organizational performance as well as environmental management system or organization.

Green Performance appraisal is a method for measuring the performance of employees as well as organizations for practicing environmental initiatives. Thus, there should be a continuous and periodic assessment of the employees and organization on green performance. The environmental standards (on-site use, waste management, environmental audits, and the reduction of waste) should be fixed by the organizations so that they can be measured on these performances.

The following points that are related to Green HRM strategies mostly implemented in the organization.

(i) **Clear and diverse HR policies:** HR policies are continuing guidelines on how people should be managed in the organization. They define the philosophies and values of the organization on how people should be treated. An HR policy provides generalized guidance on how HR issues should be dealt with (Armstrong, 20009)

(ii) Top Management Commitment: Top management's role in achieving a greater level of environmental performance is evidenced, among other aspects, by giving autonomy to the personnel to come up with creative solutions to the problems posed, to develop environmental awareness, and to implement their knowledge in this field.

(iii) Teamwork: Environmental performance requires individual and group involvement. Likewise, Barney and Wright (Barney & Wright, 2014) highlight the fact that a sustainable competitive advantage emerges more from teams than from individuals, so that the importance of employee involvement is basically manifested through the empowerment and teamwork.

(iv) Empowerment: Empowerment among employees and their willingness to make suggestions are critical factors for successful continuous environmental impact and effective Environment Management System. In order to promote employee involvement management's conscious effort where employees feel free to make suggestions and are encouraged to improve themselves.

(v) Management Behavior: Management behavior will ultimately serve as a model for the rest of the organization. It is important how the employees are being treated by their supervisors.

(vi) Merit Systems: Merit systems must reflect the significance of integration of environmental excellence into marketing, design, operations and service, and signify that all employees have significant responsibility for environmental quality. This can help create an instinctive environmental orientation in the organization (Klassen & McLaughlin, 1993).

Source: Dr. Sabnam Jahan* and Md. Mamin Ullah-Vol. 10, No. 2, December 2016

Why Green HRM is useful

The green Management initiatives in organization includes –

1. less use of paper in the office.
2. Turn off lights, Computer and Printer after work.
3. Use of LED bulbs & lights which consume less power.
4. Communication through on line system.
5. Electronic filing or e-filing.
6. Encouraging use of laptop instead of desktop.
7. Waste Management.
8. Online recruitment and selection.

9. On line training.
10. Performance management on the basis of green practices.
11. Encouraging Time & working schedule in morning shift.
12. Implementing a smoking free office.
13. Rewarding employees for coming up with sustainable green ideas and strategies.
14. Plant trees and conduct green awareness for employees.
15. Awareness and training electronic waste, bio-medical waste for employees.

If the Organizations initiates and implement the green HRM practices they can fulfill the Green goal of the organization. There are some advantages of GHRM such as - Cost saving, increased Social image, Fulfillment of CSR activities, No chance of Government intervention, Green Work environment, Sustainable use of Natural Resources. Following Table shows the comparison of those companies who are using green practices and those who are not using it and its impact on them -

Table1: Comparative chart showing impact of GHRM

Basics	Companies using GHRM Practices	Companies not using GHRM Practices	Impact
Cost saving	Increased cost saving	Less cost saving	Less productivity
Social image	Improved Social Image	Un revealed social image	Good Reputation, Goodwill and Becomes Achiever
CSR activity	Using CSR activity as a core Responsibility	No focus on CSR Activity	Lack in fulfilling social responsibility and cannot gain competitive advantage
Govt. intervention	Reduce the chance of Govt. intervention	Intervention by central / local Govt.	Reduce image in corporate world.
Work environment	Gaining healthy work environment	Old health & safety management practices make the environment unhealthy.	Employee stress & less morale.

Natural Resources	Prevention of natural resources	No Prevention of natural resources	Create carbon Emission, Environmental loss.

Companies using Green Human Resource Management Practices

1. **General electric's: uses Six sigma** Technique for organizing there operations to improve environmental and social outcomes in a manner that increase overall performance.
2. **Google-:** using Green recruiting Technique
3. **Infosys:** E-Recruiting Staffing Solution
4. **HP:** Product take Back Programs, Green Packing and Integrating Design.
5. **Wipro Technologies:** An initiative as a goals to reduce the organization's carbon footprint, manage its water and energy efficiently, develop new benchmarks in recycling waste, minimize the use of harmful substances, become eco-logically sustainable, and encourage all employees to follow green practices in their professional and personal lives. LCD monitors instead of CRT monitors, reduced employee travel, mission is extended with the new concept of green, green testing lab, practiced a Carbon Disclosure Project.
6. **Suzlon Energy:** The Suzlon One Earth Campus, the corporate headquarter of Suzlon at Hadapsar, Pune, India is the most energy efficient building built ever in India with insulated green roof, energy efficient – lighting system, construction time, renewable energy based hot water system, reduced landscape and building water requirement, recycle, reuse and recharge of water, waste management and waste water treatment, health and energy of occupants, carpooling, zero waste management, green education etc. are policies practiced by the companies
7. **ITC Limited:** This company has introduced Ozone-treated elemental chlorine free' bleaching technology for the first time in India. An entire new variety of top green products and solutions: the environmental responsive multi-purpose paper that is less polluting than its traditional counterpart.
8. **HCL Technologies:** "Go Green": a multi-layered corporate program running campaigns to initiate individual action towards environmental issues. It has intended and developed a comprehensive Green Edge sustainability structure that caters to the specific needs of manufacturing industries. They are active members of India Council for Sustainable Development. HCL is the first company to launch an Antimony & Beryllium Free laptop in India. HCL

Company extends its take-back service to consumers for disposing off their apparatus through HCL Green Bag Campaign, and recycling collected E-waste in an environment-friendly manner.

9. **Tata Consultancy Services (TCS):** TCS are focus on improving the agricultural and community needs of the region, where its offices are situated make it one of India's most environmentally proactive companies. Its 16 facilities do composting, some have bio-digesters turning waste into kitchen fuel.

10. **Oil & Natural Gas Company (ONGC):** ONGC is all set to lead the list of top 10 green Indian companies with energy-efficient, green crematoriums that will soon replace the traditional wooden pyre across the country.

11. **Mokshada Green Cremation:** An initiative that will save 60 to 70% of wood and a fourth of the burning time per cremation.

12. **Idea Cellular:** 'Use Mobile, Save Paper' campaign Green Pledge campaign: at Indian cities where thousands came forward and pledged to save paper and trees currently is working to setup bus shelters with potted plants and tendril climbers to pass on the green message.

13. **Induslnd Bank:** The bank is running ATMs on solar power and has pioneered an eco-savvy change in the Indian banking sector. Has been awarded the NASSCOM IT User Award 2012 for "Environmental Sustainability" The bank is planning for more such initiatives in addressing the challenges of climate change.

14. **Tamil Nadu Newsprint and Papers Limited:** Own power generating facility to make it 100% self-sufficient: installation of 61.18 MW Power Generating equipment (TG Sets) at the paper mill site. The excess power generated is being exported to the State Grid. The innovative bio – methanation project: This project contributes to the sustainable development in terms of generating in-house renewable energy and reducing green – house gases. Eco – friendly technologies in process, its proactive role in reducing the use of fossil fuels, increasing the green cover, using energy efficient systems, recycling and reuse of solid and liquid wastes in the process.

15. **Tata Metaliks Limited :** Every day is Environment Day, According to the company's policy, working on Saturdays at the corporate office is discouraged. Unused electric equipments & Lights are also switched off during the day with the entire office depending on sunlight.

CONCLUSION

The green HRM practices are very powerful tool in making organizations and their operations green. Green HRM starts its works from Planning and ends with maintain employee's relation to make the organization green. The organization can be reshaped through adaptation of green HRM practices for gaining competitive advantages in the globalised corporate world. If the companies' initiates Green HR practices they can improve their social and organizational performance in a sustainable manner. Through this paper this is suggested that organizations should give more priority for eco-friendly environment and to create green work place. Thus the organizations should work for make each function of HRM green.

In this paper various literatures have reviewed on environmental management (EM), HRM and GHRM. Through this paper it is suggested that Green HRM will definitely provide interesting results for all stakeholders, for employers and practitioners, these green HRM initiatives will be effective to create employee involvement and participation in environmental management programs, which will ultimately result in improved organizational environmental performance. and that will be linked with employees performance & satisfaction.

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FINANCE

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3 A'S OF GOODS & SERVICES TAX (GST) – AN INSIGHT INTO AUDIT – ACCOUNTS AND ANNUAL RETURNS: A FACT-FINDING WITH RESPECT TO FIRMS IN PUNE, MAHARASHTRA, INDIA

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ABSTRACT :

The First A of GST is The Audit. In an Audit under GST is the process of examination of records, its returns and other documents that are maintained by an taxable person. The very purpose is to verify its correctness of turnover that is declared, taxes paid, refund that is claimed and Input Tax Credit availed, and also to assess the compliance. The second A's of GST is Accounts. Under the New Tax - GST regime, multiple tax are levied, have been replaced by a single ONE GST tax. This has even led to major changes in the accounts of the business owners that one must maintain. Previously, one would have to be maintained separate accounts for VAT, Excise Tax, CST and other Service Taxes with separate input, outputs, and credit entries for each other. And the Third A's of GST is Annual Returns. In which GSTR 1-9 is are various annual return to be filed once in a year or every month by the registered taxpayers under GST including those registered with platform under composition levy scheme. It consistsdetails regarding the heads i.e. CGST, IGST and SGST.

Key Words: *Goods and Service Tax, CGST, IGST, SGST, Audits, Accounts, Annual Return, etc.*

Introduction :

In the study of topic of research of 3 A's of GST, essentially first we need to know and understand the actual concept of The GST. GST is the crucial and vital form of Indirect Tax which is said to be the largest indirect taxation reform ever in India since our Independence. The GST is said to bring about in, the economic integration as said by our Union Finance Minister Shri. ArunJaitley Ji during the Budget speech in the year 2016. The Goods and Service Tax 2016 is levied on the manufacture, sale and consumption of the variousgoods and services. Through the implementation of

GST as a Tax, all other taxes like Value Added Tax, Sales Tax are to be removed and a uniform - one single tax system on goods and services is to be followed.

Audit is first and foremost A of GST. Audit is one of the important aspects in an organisation. Audit, it is the process of examining of records, returns and other relevant documents maintained by an taxable person. The purpose is to verify or vouch the correctness of turnover - declared, the taxes paid, refund claimed, if any and input tax credit availed, and also to assess the compliance within the provisions of GST.

Every single registered taxable person whose annual turnover during a financial year exceeds thespecified prescribed limit shall get his books of accounts audited by a chartered accountant or a cost accountant. He shall electronically file:

1. An annual return using the Form GSTR-9B along with his reconciliation statement by 31st December of the next upcoming Financial Year,
2. The audited copy of the annual books of accounts,
3. A reconciliation statement, stating the reconciling the value of supplies declared in the annual return with the audited annual financial statements,
4. And other particulars as prescribed or required from time to time.

When Goods & Service Tax is implemented in July 2017, the second A of GST which is Accounts is also simultaneously affected. In spite of initial transitional challenges, GST has tried to bring in clarity in many areas of business including the areas of accounting and bookkeeping.

While the number of accounts and its transactions are more apparently under GST. Once you go through the recoding or accounting entries you will find it is as much easier for record keeping. One of the biggest advantages an trader will have is that he can set off or claim his input tax on service with his output tax on the sale that is done during that period.

After an required study on the accounting treatment along with effects of various transactions under the GST regime, the queries are also solved on how to record and pass entries for the inter-state, and intra state sale of goods, also so to how to record utilisation of the input tax credits, etc.

In third A of GST regime as to Annual Return, GSTR-9 is an annual return to be filed by the registered Person once in a year by the registered taxpayers under GST portalincluding those registered under the composition levy scheme also. It consists of the details regarding supplies made and received during the particular previous year under different tax heads i.e. computation of CGST, SGST and IGST. It

consolidates the three heads of information furnished in the monthly/quarterly returns that are furnished during the year.

All the taxable persons registered under GST must file GSTR-9. However, such of those following persons are not required to file GSTR 9

- Casual Taxable Person
- Input service distributors
- Non-resident taxable persons
- Persons paying TDS under section 51 of GST Act.

Objective Of Study

The objective of the report is to know about the how Goods & Service Tax, how it has affected an organisation and what are the activities mostly done under it.

1. To study the implications of different aspects of accounting under Goods & Service Tax (GST).
2. To study how to file Goods & Service Tax returns (GST).
3. To study the accounts & records under Goods & Service Tax (GST).
4. To study the audit procedure under Goods & Service Tax (GST).

Accounting Under Goods & Service Tax (GST)

Goods & service tax or GST will be one tax to subsume all other various or different taxes. It will bring in "One nation one tax" regime. While there are bound to be certain initial transitional challenges, GST will definitely bring in much clarity in many areas of business activities. One of the areas is accounting and book-keeping. The details of as researched out about accounting entries under GST are as follows:

Current i.e. Old Scenario:

Separate books of accounts have to be maintained for Excise, VAT, CST and Service Tax. Here's a list of the various few accounts currently any business has to maintain (apart from accounts like Purchases, Sales, Stock, etc) –

- Excise payable A/C (for manufacturers)
- CENVAT credit A/C (for manufacturers)
- Output VAT A/C
- Input VAT A/C
- Input Service tax A/C
- Output Service tax A/C

For example, a trader Mr. A must have to maintain the minimum basic accounts –

- Output VAT A/C
- Input VAT A/C
- CST A/C (For Inter-State Sales and Purchases)
- Service Tax A/C [One will not be able to claim any service tax input credit as he/she is a trader with output VAT. Service tax cannot be set-off against VAT/ CST]

Under NEW - GST Regime

Under Goods and Service Tax - GST all these taxes (Excise, VAT, Service Tax) will get subsumed into one Single Account. The same trader A has to than maintain the following few accounts (apart from accounts like as of Purchase, Sales, Stock, etc) –

- Input CGST A/C
- Output CGST A/C
- Input SGST A/C
- Output SGST A/C
- Input IGST A/C
- Output IGST A/C
- Electronic Cash Ledger A/C (Maintained on Government GST portal to pay GST)

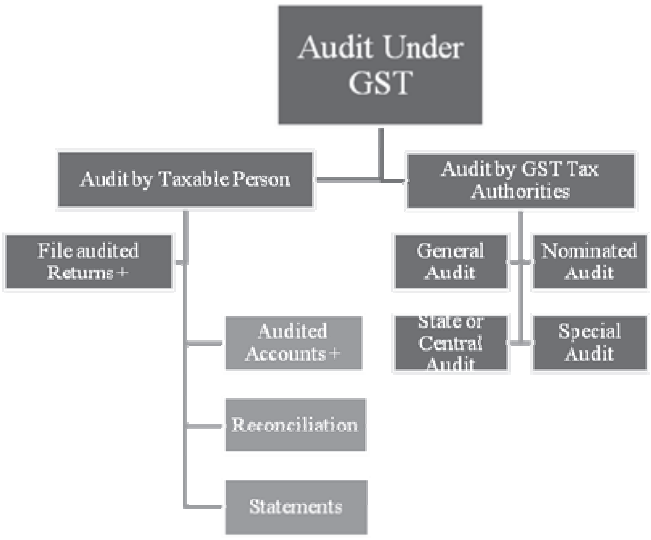
While the number of different accounts is more apparently, once you go through the accounting you will find it is as much easier for the purpose of record keeping. One of the biggest advantage Mr. A will have a benefit as, is that he can set off his input tax on various service against with his output tax on sale.

Audit Under Goods & Service Tax (GST) :

Goods and Service Tax (GST) is more structured for efficient tax collection purpose, reduction in level of corruption, easy inter-state or intra-state movement of goods and a lot more purview or aspects related to it.

The GST as an Law provides for the freedom of self-assessment to facilitate and easy compliance and payment of taxes on time. It also explains and focused on the notices, the demand and the recovery provisions when the taxes are to be unpaid, short paid and/or returns are not all filed within the specified deadline.

Audit under taxation of GST is the examination of records that are maintained by an registered dealer. The basic aim is to verify the correctness and authencity of information that is declared, taxes that are paid and to assess the habit of compliance with GST.



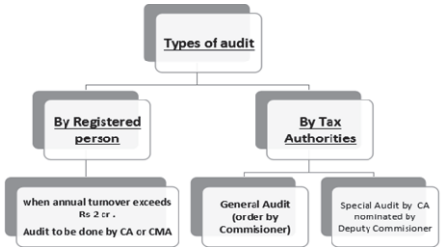
A. Audit byThe Registered Dealer

Every registered dealer with the state or centre whose turnover during a particular or previous financial year exceeds the amount of sale of Rs. 2 Crores has to get his books of accounts audited by an CA or an CMA, compulsorily.

B. Audit by Various GST Tax Authorities

1. **General Audit:** The commissioner or Addl/Jt. Commissioner or on his orders an officer may conduct an audit of any registered dealer either of an Inter or Intra State.

2. **Special Audit:** The respective state or centre or tax department may conduct a special audit as per the need and the complexity of the case and considering the interest of revenue. The CA or a CMA will be duly appointed to conduct the audit of that dealer.



Annual Goods & Service Tax (GST) Return :

Every registered person including those registered under composition levy scheme shall or will have to furnish an Annual Return in GSTR-9.

However, the following persons are not required to file GSTR 9

- Input service distributors
- Persons paying Tax under Section 51 (Tax Deducted at Source)
- Persons paying Tax under Section 52 (Collection of Tax at Source)
- Casual Taxable Person
- Non-resident taxable persons.

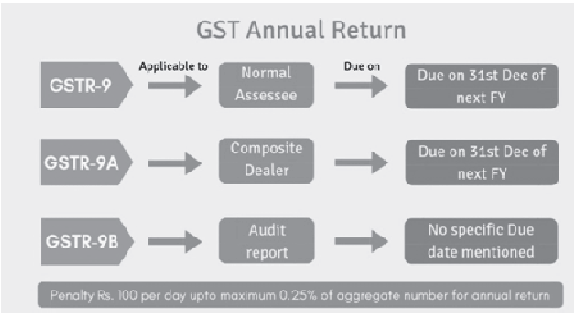
Sr. No.	Form GSTR	Description
1	GSTR 9	It is to be filed by the Regular Taxpayers who are filing GSTR 1, GSTR 2 & GSTR 3
2	GSTR 9A	to be filed by the persons registered under Composition Scheme under GST.
3	GSTR 9B	It is to be filed by the e-commerce operators who have filed GSTR 8 during the financial year.
4	GSTR 9C	It is is a specific return for the taxpayers whose annual turnover is exceeds Rs 2 crores during the financial year.

Penalty for the Late filing of GSTR-9 :

GSTR 9 Annual Return is to be filed on or before due date. If the GSTR 9 is not filed on or before due date then penalty will be applicable as follows:

Sr. No.	Under ACT	Description
1	CGST	Rs. 100 per Day
2	SGST	Rs. 100 per Day
3	IGST	NIL
	Total	Rs. 200 per Day

However the maximum amount of such penalty will be 0.25% of the Total Turnover in the respective State or Union Territory



Way ahead of GST

1. The government need to provide literacy and create more awareness about the GST.
2. Effective spending on efficient Tax administration staff with respect to training of staff or employees and tax authorities needs to be undertaken
3. Well maintenance and frequent follow ups of camps and of GSTN (Goods and Service Tax Network) portal for better relationship between the government and with various stakeholders.
4. In order to avoid the unnecessary and preventive loss of revenue to the state or central government, the central government may think about the considerable percentage of GST which would be helpful for all stakeholders of GST.
5. Consent from all states and union territories and suggestions from every state for betterment of GST and the source and increase of Tax revenue.
6. The government should take care about the input tax credit or RNR which should not affect the tax revenue to any government either of the central or state.
7. The loss of Tax revenue should be eventually managed and compensated properly through proper diversification and utilization of funds without burden to anyone.
8. The Central government and the State government should be in proper understanding and cooperation with each other for the successful and fruitful implementation of GST.

Conclusion :

GST is the most significant steps towards the comprehensive and holistic indirect tax reform in our country, since its independence. GST is at one time implanted on all supply of goods and provisional of services as well any of combination thereof. All the sectors of economy whether it may be the industry, businesses including Govt. departments and its service sector shall have to bear impact and pay for of GST. All sections of economy as whole viz., big, medium, small scale units, intermediates, importers, exporters, traders, professionals and consumers shall be in any way directly affected by GST.

Referred as - One of the biggest taxation reform in India – the Goods and Service Tax (GST) - is all plat formed to integrate State economies and boost overall growth. GST will create a one single, unified Indian market to make the economy healthier & stronger. Experts comments that GST is likely and surely to improve tax collections and Boost India's economic development by breaking different tax barriers between

States and Integrating India through a simple uniform tax rate. Under GST, the taxation chargeability or burden will be divided equitably between the concept of manufacturing and theservices, by increasing the tax base and thanminimizing exemptions.

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PRICING REAL ASSETS: TERMS AND CONDITIONS APPLY

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ABSTRACT :

This paper aims at contributing to the debate on asset pricing by addressing challenging issues that pertain to the real estate market, though their implications can go beyond its scope. Actually, the trend towards increasing globalization has made the trade-off between financial and real assets obsolete, just like the traditional focus on portfolios consisting of securities alone. As a result, a wider approach should be rather adopted, designed to cover total wealth management. Reverse mortgages, rent-to-buy formulas, 1€ houses, home lotteries andreal estate auctions are just a few examples that a realistic, updated framework for analysis can draw upon, based on applicable terms and conditions.

Keywords: *Financial assets,Pricing strategies, Real assets,Total wealth management.*

Introduction:

Asset pricing is usually referred to financial assets: they tend to be privileged as the main focus of portfolio theories and the role of institutional investors has been historically analyzed within the framework of the market segments populated by these assets; real estate seems to belong to a world apart, with specific rules to be followed for managerial purposes and decision making processes. No surprise that the trade-off between them and real assets is usually given and taken for granted.

Against this background, it must be acknowledged that the trend towards increasing globalization has made traditional keys of classification obsolete and the above mentioned trade-off can be hardly accepted anymore (Mori 2016); there it follows that real assets should be paid unprecedented attention while analyzing asset pricing strategies and – in more general terms – while addressing wealth management issues. The implications of re-orienting the approach to be better resorted to do not only involve institutional (and individual) investors but also need to be closely scrutinized by central banks and other supervisory authorities.

Supporting arguments abound: be it enough to mention the impact that real estate finance may have on financial stability and the relationship that has been widely

endorsed between developments in the real estate market and economic growth; the implications of the subprime crisis can only confirm the closer and closer interaction between the financial and the real spheres of the economy. To make the picture even more appealing, a wider array of contractual arrangements has been gradually generated, which allows – and requests – to model property prices even by applying unconventional terms and conditions on a case-by-case basis.

Evolutionary Trends in the Real Estate Market:

Based on these thoughts, there is no choice but to acknowledge how relevant real assets are, especially in developed economies (Łaszek, Krzysztof and Sobiecki2018, 11): on one hand, residential real estate is mainly used to satisfy basic housing needs, usually by choosing between a buyer vs. seller relationship and a tenant vs. landlord relationship; on the other hand, commercial real estate is used in production chains, since it gives place for firms that create value added, and modern buildings located in metropolises tend to attract skilled workers who have better paid jobs. These people tend to ask for more comfortable living conditions and often buy their own home by being granted a mortgage loan, though homeownership rates differ significantly from country to country and behaviors tend to be modified quite rapidly in this market segment.

Not surprisingly, the real estate decision-making process has undergone significant changes in the last few years, as rights and duties on each party have been more and more often reshaped in an attempt at forging new types of contracts. As applicable legislation may affect terms and conditions of each of them, evolving schemes depend on – and gradually modify – the pertaining legal framework: therefore, a local viewpoint should be privileged, though the pros of an approach that would be based on a glocalperspective could not be underestimated, in order to ideally combine local and global issues; to this end, Italy's legislation can be perceived as a source of useful insights due to contractual situations and negotiations that provide ground for international interest and that can be quite easily replicated beyond borders.

As a result of the introduction and dissemination of evolving schemes, significantly different prices might be bid and asked for a property – and finally agreed upon – based on terms and conditions that each type of contract imply. They are the main focus of this paper, in sight of shedding light on unprecedented challenges that stem from pricing real assets unconventionally: this is the case of contractual arrangements that do not fall within the scope of traditional schemes and anyway need to be taken into careful consideration, due to their growing relevance and pervasiveness; their increasing degree of financial sophistication too calls for attention, as it can be argued by overviewing the features of emerging subsets, including those that have to do with reverse mortgages, rent-to-buy formulas, 1€ house projects, home lotteries and real estate auctions.

Reverse Mortgages:

As recent trends in the real estate market allow to state, asset pricing strategies play a key role in the market segment consisting of unconventional types of loans such as reverse mortgages, that look like the opposite of the more widely used mortgage loans (Mori 2018): borrowers do not access funds to purchase a home but homeowners are allowed to borrow money against the equity in their homes; potential beneficiaries are old people who are willing to keep using their home as their primary residence and can get the money they need by being granted these loans secured by their home equity. As such, reverse mortgages may alleviate poverty that affects many homeowners in the later stages of their life cycle, thus contributing to fight financial – as well as social – exclusion.

However, it is all but easy to fully grasp the technicalities of the financial products under investigation, which leads to highlight the need to rely on professional – and possibly independent – advice. For instance, it must be clearly understood that interests and expenses are accounted for every year and should be paid to the lender no later than one year after the borrower dies, together with the amount of the loan; should this obligation remain unfulfilled, the underlying property could be sold at its market value, after having it professionally assessed , and what eventually remains after satisfying the lender's rights is transferred to the borrower's heirs.

Therefore, their choice may depend on the market value of the property at issue when the borrower dies, whereas the market value of the same asset upon signing a reverse mortgage contract is one of the factors that affect the amount that can be borrowed: needless to say, this market value can be hardly assessed in objective terms and may influence the timing of making a reverse mortgage agreement in line with the trends in the local real estate market; competing banks may be induced to endorse a generous evaluation, in order to preserve and even expand their market share in this subset of the financial industry, since reverse mortgages are designed to span over a supposedly long-term. They are also expected to undergo a more and more sophisticated product development, as financial institutions may be assumed to gradually exploit the potential of these loans even by securitizing them as any other type of loans, thus requesting compounded attention to be paid to consumer protection issues.

Rent-to-Buy Formulas:

The other side of the coin features contractual arrangements whereby people can finally own a home without having to buy it right away. These contracts are known as rent-to-buy formulas and are advertised as "a different way to buy property": the potential target market includes those who do not have enough money to act as buyers as soon as they find a suitable property; since purchasing it is their ultimate goal, a long term lease would not be satisfactory because the ownership of the

underlying property could not be transferred, though this real asset could be used for a while.

As such, a rent-to-buy contract is the best alternative to purchasing a home and long-term renting it: two agreements are involved in this hybrid contract, allowing for a "revolutionary way to purchase your dream home"(Jupe 2017), which "involves both ownership and tenancy" (Rent to Buy 2016), with advantages and disadvantages for both parties (Siderin.d., Fachinat 2016, Il rent to buy 2018) ; a normal rental contract, at about twice the ordinary rental price – with payments that tend to be made on a monthly basis and to be only partially deducted from the amount to be finally received by the party finally acting as the seller –is combined with an option structured to give the tenant the exclusive right to purchase the house at the end of the lease period – usually, two to five years later a few years later (Rent to buy 2018), with a maximum of ten – at a price which is then locked-in for the term of the tenancy. The potential seller could retain the full amount paid by the potential buyer, if the latter is not interested any more in buying (or is unable to buy) the property when the above mentioned option expires and the current sale price may be much different (either higher or lower) from the pre-determined amount.

This is a contract that people can make recourse to when being granted a mortgage loan is beyond their reach, as it is often the case of foreigners who would like to buy a dream home in Italy: so, they can end up with owing it, even though they do not have enough money when they find it and could not borrow the amount they would need to buy it right away, provided that it is almost impossible to get a mortgage loan in this country if you are not Italian; by contrast, local people can take advantage of the formula under investigation in order to postpone the time when a mortgage loan would be applied for, in sight of satisfying the requirements for a positive evaluation by their bank, while making periodical payments higher than the rent that would otherwise be agreed upon. This type of contract is also appealing to people who have no idea whether it is better to rent or buy a property they would like to use and who are willing to pay for the above mentioned option allowing them to postpone their decision, though at the end of the buying process usually a higher amount is spent than the price to be alternatively paid by resorting to a traditional buying formula.

1€ Houses:

By contrast,some properties can be bought for a nominal amount of money since newly introduced opportunities allow to become homeowners by spending only one euro, as it is the case of the project known as "Case a 1 euro" (or 1€ houses) in Italy: this is a prominent country in terms of cultural heritage, as shown by its more than fifty UNESCO World Heritage sites; relevant features also include the harmony between its cities and the landscape, not to mention the historical cultural values.

Another key ingredient is the "Italian model" of culture which sounds like an incentive to bring old properties in a state of abandonment to a new life by renovating them and to repopulate gorgeous villages impacted by evolutionary trends, with the young population leaving and the elderly slowly fading away.

Therefore, a widely shared approach implies that the management of the abandoned property, both private and public, should not be considered a burden, but rather a resource for cultural development: in other words, improvement and redevelopment projects tend to minimize transformative interventions meanwhile safeguarding the historical and cultural identity of this country; it does not need new constructions and overbuilding, according to a quite common view which supports a strategy designed to improve the existing housing environment. Along this pathway, Italy's cultural identity is expected to be preserved by reviving small abandoned centres or redeveloping abandoned buildings, with a story that is this country's history (1€ Housesn.d.).

Real assets that are suitable for 1€ house projects are often owned by private individuals (Agenzia del Demanion.d.) who want to get rid of them to stop paying taxes and levies, sometimes beyond owners' reach; these properties tend to need major renovation works and to be given as donations to the municipalities that sell these houses by public procedure at the symbolic price of one euro. However, buyers must commit to fulfill some obligations such as submitting a renovation and re-evaluation project within a specified period (generally one year), which might cost 20-25 thousand euros and is usually eligible for tax relief for building and energy restructuring; once all permits have been granted, works must start within a short time, typically a maximum of two months.

Home Lotteries:

Another way to cheaply become homeowners can be suggested by those who successfully participated in lottery programs, such as dream home lotteries, that are often run by – or on behalf of – not-for-profit and private organizations, including foundations, to help them fulfill charitable and humanitarian goals: for instance, tickets sold may make a life-changing difference to people living with neurological conditions, by contributing towards research into them and funding new high support accommodation and services facilities (Lotteries & Rafflesn.d.). Home lotteries may also be promoted in sight of raising funds to support local causes and – in more general terms – local communities.

In these cases, the home price is reportedly estimated "by direct comparison", in order to define the number of tickets to be sold; however, several items tend to be included on a case-by-case basis, which makes it hard to understand how the property by itself has been priced. For instance, the winner may also get "free transfer of title" and "6 months security monitoring fees" (Lottery #423n.d.)or

"fridge, stove, dishwasher, washer, dryer on display in the dream home" though "all furnishings and decorations are excluded" from the grand prize (Dream Home Lotteryn.d.), and must accept "ownership as of time and date of draw" meanwhile waiving "all rights to tax rebates on the home" (2019 Dream Home Lottery n.d.).

Similar initiatives have been recently promoted in Italy. A quite popular one falls within the framework of the program known as "Win for Life" and has just allowed to win 500.000,00 euros, with at least 300.000,00 to be used to find and buy (at least) a property within two years (Gioca 5 numeri 2019): if pricing implications are not affected by – and do not affect – this lottery, a different approach has been adopted by an Englishman who was unable to find a buyer for his fully restored traditional stone house in CarapelleCalvisio, near L'Aquila, in Central Italy, and decided to promote a lottery based on the estimated market value of this property, plus expenses to transfer its ownership rights, including two flights from any part of Europe, hotel accommodation for two nights and car rental for two days("Win a House in Italy" 2019); needless to say, it is hard to predict the revenues from selling tickets as no guarantees can be provided towards successfully proposing them in these cases.

Real Estate Auctions:

Pricing strategies can also play a key role to encourage real estate bargain-hunters to populate the market segment that features house auctions. To make the link between financial and real assets even more evident, the global crisis that started in 2007 has not only increased the number of properties that are available through this channel but also made it easier to get familiar with its buying process and to ultimately acquire them; furthermore, the foreclosure market needs to be scrutinized not to miss a way out envisaging an escape strategy accessible to homeowners who cannot afford their mortgage payments any longer.

Be it enough to stress that foreclosed homes can be virtually available in every real estate market, which provides opportunities for potential homeowners and investors alike(Buying a Foreclosed Home 2019). The process to buy these properties is often similar to the search of any other sort of home, though "sales of distressed homes usually comes in several forms" (Miller 2019): first of all, there are short sales or preforeclosures, whereby owners who can no longer afford their properties try to work out a purchase, subject to the approval of their respective lenders; if it does not work, they may start foreclosure proceedings and the homes at issue are ultimately put up for sale at a public auction with the aim of getting the highest possible price so as to mitigate the losses that lenders suffer when borrowers default on their loans.

Bidders are looking for investment bargains and actually many homes available at foreclosure auctions end up with selling at something of a discount compared to similar properties traditionally sold. However, the pitfalls of buying a foreclosed house should not be underestimated (Fontinelle 2019): many of these homes are

badly maintained; even structural problems and violations of codes or other standards may have to be dealt with; these properties are often filled with garbage or personal items left behind by previous homeowners; vandalism too can be an issue, with items that can be resold (such as fixtures, appliances and windows) not occasionally taken by thieves or the prior owners; lenders may not be willing to fund the purchase of foreclosed homes, which helps explain why buying with all cash is a frequent occurrence.

Conclusions:

To sum up, challenging issues need to be addressed as far as asset pricing, that fall within the scope of real estate analysis: the trend towards increasing globalization has made the trade-off between financial and real assets less and less persuading; a wider perspective sounds appropriate to better manage portfolios, based upon the concept of total wealth management, which does not only include financial assets. Supporting arguments have to do with the implications of real estate finance, that can affect financial stability, as shown by the global financial crisis, and that make real estate prices relevant even from central banks' point of view.

Further useful insights can be gained by analyzing the multi-faceted relationship between the real and the financial spheres of the economy, including the feedback between the real estate construction and economic growth. There it follows that both residential and commercial real estate pricing should be paid more attention, which leads to shed light on evolving contractual schemes, in sight of addressing challenging issues pertaining to asset pricing strategies: no wonder that the amount of money needed to purchase a property may vary depending on applicable terms and conditions, such as those that refer to rent-to-buy formulas and home lotteries; real state auctions, 1€ houses projects and reverse mortgages too provide ground for questioning the recourse to pricing models that do not account for the different contractual schemes to choose from on a case-by-case basis, when it comes to focus on trading real assets.

In a few words, new challenges in the real estate market encompass an unprecedented recourse to innovative contractual schemes that do not allow to endorse any more the trade-off between the seller-buyer relationship and the landlord-tenant relationship and that may justify significantly different prices for a property depending on applicable terms and conditions. Even the traditional trade-off between financial and real assets tends to become less and less attractive, thus calling for special attention to be paid to total wealth management; implications span from empirically pricing assets to theories centered on (both financial and real) asset prices, from the institutional investors' viewpoint to a central bank's perspective, from household finance to mortgage lending by banks, to evoke just a few areas of interest to be more closely monitored within a glocalframework.

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LEVERAGE AND VALUE CREATION: EVIDENCE FROM ITALY'S FRAMEWORK

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ABSTRACT :

The aim of this paper is to analyse the evolution of the leverage in Italian micro enterprises over the last decade, in order to figure outhow the financial structure of these firms has been modified by the crisis that began in 2007.The startingpoint can be identified witha theoretical and empirical literature review on the main financial difficulties of micro firmsand on the real effects of financial crises; the next step is aimed at investigating the financial structure of Italy's micro firms, with a special emphasis on the level of their debt.Based on a survey of the balance sheets of a sample of Italian micro firms, this paper shows the trend of the leverage from 2008 to 2017 and assesses whether they have been able to create value during the crisis.

Keywords: *Leverage, Value creation, Micro firms, Crisis.*

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Keywords: *Leverage, Value creation, Micro firms, Crisis.*

1. Introduction

Micro firms make up about 94% of the Italian entrepreneurial system and contribute to the creation of 29% of value added and to the employment of 46% of the workforce in this country . These firms, and in general the subsystem including them andall Italian small and medium enterprises (SME), have always been subject to stringent financial constraints and their fragility has been exacerbated by the dynamics of the recent crisis.

Deep-rooted problems, such as those associated withhigh level of debt(Arcelli, 1994) and the equity gap(Gualandri e Schwizer, 2008; Bini, 1996), have combined with the lack of liquidity(Allen et al, 2007 e 2008) and the deterioration in profitabilitygenerated by the crisis, thus multiplying the difficulties in paying back debts and in accessing new finance, up to cause the bankruptcy of several firms.

In this context, itis important to investigate the trend of the leverage in micro firms and to verify if and how they have been affected by the problem of the credit crunch and by the equity gap.

Furthermore, this study analyses the ability of the micro firms to create value, using the Economic Value Added model proposed by Bennet Stewart (1991) (from now on EVA).

This research work is organised as follow. Section 2 presents a literature review on the issues of financial constraints of micro and small business; section 3 introduces the empirical analysis carried out on a sample of over 29.000 Italian micro firms, highlighting the results in term of leverage and value creation over the past decade. The fourth section summarises conclusions based on the results and outlines issues for further discussion.

2. Literature review

Recentliterature reveals a significant relation between small size of the firm and difficulty in accessing funding channels(Ayyagariet al., 2006; Beck et al. 2005; Beck e Demirgüç-Kunt, 2006; Berger et al. 1998). First of all, especially in non-Anglo-Saxon countries, the access to capital markets is limited because of the so-called “financial gap” regarding both a supply gap and a knowledge gap (Holmes and Kent, 1991). As a result of the financial gap, the main long-term financial source for SMEs is internal fund, followed by bank loans.

The bank-firm relationship, often based on the relationship lending approach(Berger e Udell, 2002), has always been affected by the problem of information asymmetry. The prevailing view tends to shed light on an inverse relationship between firm size and the level of information opacity: when the company grows, opacity decreaseswhile disclosure increases.Due to insufficient information, a high number of profitable investment projects may not be financed or may not obtain funding at a reasonable cost.

Furthermore, empirical research shows that small and micro firms frequently resort to short-term debt, limiting the use of long-term debt due to the lack of assets to offer as collateral (Chittenden et al, 1996).

Another important financial constraint associated with SME financial structure is the equity gap, that deals with the low weight that equity has on the total sources of financing (Gualandri e Schwizer, 2008). The main determinants of the equity gap are: the corporate governance structure, often characterized by a clear coincidence between ownership and control and by the fear of the entrepreneur losing control of the company by allowing the entry of other shareholders; difficulties in accessing to financial markets because of the lack of requirements to going public and the high costs of listing(Berger e Udell, 1998).

The issue of financial constraintsof SMEs takes on an even more important meaning when analysed in a period of financial crisis like the one that has affected the world economy since 2007.

Empirical research shows that a banking crisistends to generate a contraction of the loans (credit crunch): there it follows that the economic sectors most dependent on external finance (of banking origin in particular) are more penalized by the crisis. This evidence confirms the presence of real effects produced by crisis and therefore the presence of a real cost of the banking crisis. In a context of crisis, it is physiological to expect an increase of information asymmetry between firms and banks and the latter are forced to revise the portfolio in favour of more liquid assets, thus penalizing loans to companies perceived as more risky (fly to quality, Bernanke et al., 1996).

Signs of credit crunch inevitably lead to pay attention to other “side effects” for corporate finance: liquidity management and investment opportunities.Following the outbreak of the subprime mortgage crisis, many companies affected by financial constraints had problems both in accessing credit and in the renegotiation of credit lines (Campelloet al., 2009). Furthermore, these companies were forced to give up the implementation of investment projects with positive net present value precisely because of the difficulties encountered in accessing credit.

Within this theoretical framework, the research objectives of this study are the following:

- analyse the trend of the debt of the Italian micro companies during the last decade, to understand if it has been affected by the recent financial crisis;
- verifywhether the Italian micro companies were able to create value during the financial crisis.

3. The analysis

This empirical analysis is set to cover the period from 2008 to 2017 and has been conducted on balance sheets provided by the database AIDA (Bureau van

Dijk), which includes financial and economic information for private corporation companies. The sample consists of 29.265micro non-financial firms, with a number of employees less than ten.

3.1. Results on leverage

The situation of Italian micro firms in terms of leverage has been investigated by analysing the evolution of the following indicators:

- Leverage, defined as the ratio of all the debts (financial and trade debts) over total assets. The balance sheets of micro firms often do not allow to highlight the different types of debt, due to the possibility of drawing up the financial statement in abbreviated form. This is why it has been impossible to use only financial debts, as suggested by the prevalent literature (Rajan and Zingales, 1995).
- Composition of financial sources, i.e. the weight of total debt on assets (Leverage, as defined above), compared to the weight of equity on assets. This information allows to verify the level of capitalization of the firms and the presence of the problem of equity gap.
- Financial charges on EBITDA, calculated as the ratio between total financial charges over the earning before interest, taxes, depreciation and amortization. This indicator shows the degree of absorption of economic resources by current operations by financial charges.

Table 1 presents the results obtained by applying the Leverage ratio to the selected sample. It shows a progressive reduction of the debt since 2008, in other words during the period of economic recession following the financial crisis.

Table 1. The leverage of Italian micro firms (percentage values)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average	63,74	62,37	61,83	61,25	59,97	59,27	58,69	58,18	58,39	60,23
Median	67,73	65,99	65,37	64,67	63,07	62,08	61,46	60,48	59,64	58,70

Results confirm the findings from theoretical and empirical literature and can be traced back to the topic of credit crunch, which mainly affected small business suffering fromfinancial constraints.Starting from 2015, data suggest an inversion of trend, with an increase of the level of debt, as it emerges more clearly from the Figure 1.

The decrease of leverage is also confirmed by the research carried out by De Socio and Finaldi Russo (2016) on a sample of Italian non-financial firms until 2013. These authors underline how, despite the reduction in leverage recorded by Italian companies, their recourse to debt stands at higher levels than comparable firms in other main European countries.

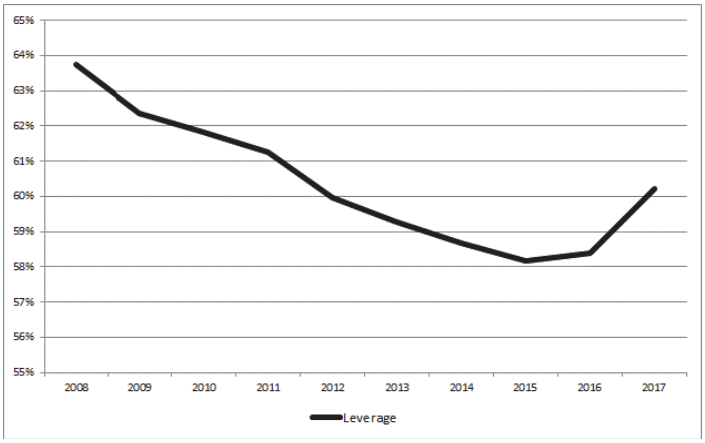

Figure 1. The evolution of leverage (average values)

In terms of composition of financial sources, results indicate a greater weight of the debt in the financial structure compared to equity: at the beginning of the crisis under investigation, leverage was about twice the equity, confirming the empirical evidence on equity gap (Table 2, Figure 2).

Table 2. Composition of financial sources (average values, percentage values)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Leverage	63,74	62,37	61,83	61,25	59,97	59,27	58,69	58,18	58,39	60,23
Equity	32,26	37,63	38,17	38,75	40,03	40,73	41,31	41,82	41,61	39,77

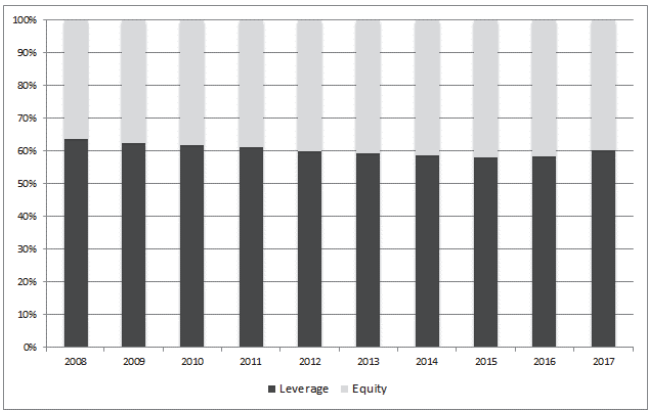

Figure 2. Composition of financial sources

The analysis of the financial charges on EBITDA ratio presents median values – which in this case are more reliable and less distorted than average values – decreasing during the same period. This information too confirms the evidence of the theoretical and empirical literature regarding the contraction of the debt during a financial crisis.

Table 3. Financial charges on EBITDA (percentage values)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average	29,72	17,63	39,74	4,13	14,95	0,32	3,50	96,7	17,63	2,66
Median	9,65	7,36	6,76	7,33	7,57	7,54	7,26	6,61	5,78	4,56

3.2. Results on value creation

The ability of Italian micro firms to create value has been assessed by applying the EVA model (Bennet Stewart, 1991) to the companies in the sample. This model is expressed as follow:

NOPAT = Net Operating Profit After Taxes

CIN = Net Invested Capital

wacc = weighted average cost of capital

$$wacc = K_d(1-t)\frac{D}{D+E} + K_e\frac{D}{D+E}$$

$$\mathrm{K_d} = \text{Return on Debt} = \frac{\text{Financial charges}}{\text{Total Debts}}$$

$$\mathrm{K_e} = \mathrm{r_f} + (\overline{\mathrm{r_m}} - \mathrm{r_f})\beta$$

It seems appropriate to make a clarification regarding the calculation of the wacc, with special reference to the cost of equity. Due to the lack of data required for the calculation of systematic risk, summarized in the beta ratio, and following the approach used by Wald (1999) for the definition of default risk, in this work the beta has been replaced with the standard deviation of ROI (Return on Investments).

Table 4. Value creation (euro)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average	-42.378	-7.801	-9.272	-19.882	-25.089	-23.081	-20.600	-9.376	-9.405
Median	6.674	7.823	7.329	3.947	4.009	4.581	6.417	5.821	6.196

Table 4 shows the average values always negative for the EVA for the whole period of reference, while the median values are positive, but low.

These data highlight the difficulties encountered by micro enterprises in creating an income (NOPAT) higher then the opportunity cost (wacc x CIN). Furthermore, these results confirm the financial suffering of small business during the crisis.

4. Conclusions

Italian micro enterprises have always been affected by several financial constraintsthat have led these firms, in the run-up of the crisis, to increase their use of debt. The financial crisis that started in 2007 and the consequent problem of credit crunchhave generated further financial difficulties for small business.

As a matter of fact, they had to face the lack of liquidity and the impossibility to replacing the debt with other forms of financing, first of all equity, because of the

equity gap. Needless to say, this situation has contributed to worsen the economic and financial performance of the companies focused on and probably to scale down their investment policy.

Further thoughts should be devoted to the other side of the coin: there are reasons to believe that it would prove not less relevant to analyse the effects of the global crisis on corporate investments.

To sum up, the results of this research work suggest that some incentives should be promoted, in an attempt at encouraging a wider recourse to equity financing and a reduced use of debt. For example, it may sound convenient to replicate fruitful measures taken in some sectors, including limits to the amount of interest expense that could be deducted from income. This action is likely to reduce the level of leverage, increase the level of equity and bring about a more balanced financial structure.

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"A COMPARATIVE STUDY OF BANKING SECTOR IN INDIA & OVERVIEW OF PERFORMANCE OF INDIAN BANKS: A STUDY WITH RESPECT TO PRIVATE BANKS"

Dr. Prashant Vijaysing Patil

ABSTRACT :

Finance and banking is the life blood of trade, commerce and industry. Now-days, banking sector acts as the backbone of modern business. Development of any country mainly depends upon the banking system. A bank is a financial institution which deals with deposits and advances and other related services. It receives money from those who want to save in the form of deposits and it lends money to those who need it. The banking is one of the most essential and important parts of the human life. In current faster lifestyle peoples may not do proper transitions without developing the proper bank network. The banking System in India is dominated by nationalized banks. The performance of the banking sector is more closely linked to the economy than perhaps that of any other sector. The growth of the Indian economy is estimated to have slowed down significantly. The economic slowdown and global developments have affected the banking sectors' performance in India in FY12 resulting in moderate business growth. It has forced banks to consolidate their operations, re-adjust their focus and strive to strengthen their balance sheets. Here researcher's objective is to study the Indian banking sector and performance of Indian banks.

Keywords: *Indian Banking System, Indian Economy, Private Banks, Performance of Banking.*

A. Introduction:

The private sector banks are banks where greater parts of stake or equity are held by private share holders and not by government. Banking sector is a leading player in Indian economy. Private Banks have gained good share in Indian banking industry over few years because of usage of technology. The share of private banking is 18.2 percent of Indian banking industry.

Initially all the banks in India were private banks, which were founded in the pre-independence era to cater to the banking needs of the people. In 1921, three major banks i.e. Banks of Bengal, Bank of Bombay, and Bank of Madras, merged to form Imperial Bank of India. In 1935, the Reserve Bank of India (RBI) was established and it took over the central banking responsibilities from the Imperial Bank of India, transferring commercial banking functions completely to IBI of first-five year plan, Imperial Bank of India was subsequently transformed into State Bank of India (SBI).

Following this, occurred the nationalization of major banks in India on 19 July 1969. The Government of India issued an ordinance and nationalized the 14 largest commercial banks of India, including Punjab National Bank (PNB), Allahabad Bank, Canara Bank, Central Bank of India, etc. Thus, public sector banks revived to take up leading role in the banking structure. In 1994, the Reserve Bank of India issued a policy of liberalization to license limited number of private banks, which came to be known as New Generation tech-savvy banks. Global Trust Bank was, thus, the first private bank after liberalization; it was later amalgamated with Oriental Bank of Commerce (OBC). Then Housing Development Finance Corporation Limited (HDFC) became the first (still existing) to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. Undoubtedly, being tech-savvy and full of expertise, private banks have played a major role in the development of Indian banking industry. They have made banking more efficient and customer friendly.

B. Objectives of Study:

1. To study the Micro Aspects of Banking Sector.
2. To study the Performance of Banking Sector.
3. To Understand the Financial Situation in Banking Sector.

C. Review of Literature:

1. L.Raga Jyothi in her Paper “An empirical study on the performance of Private sector bank during 2014-16” focuses on the performance of banking sector in India. The performances of private sector banks are good. Even though there are negative growth rate at some times, investors shows interest to invest in private sector banks due to their innovative schemes and services. All these efforts are making the private sector banks to be in top position. The growth rate determines the percentage increase in their performance which can give an overall idea about the performance of their selected banks. The correlation coefficient indicates that the percentage increase in growth rate of nifty is totally dependent on the growth rate of private sector banks. The relation between the private sector banks and nifty bank are positive and are very strong which indicate that the increase in growth rate of private sector banks will definitely increases the growth rate of nifty bank. The relation between the private sector banks and nifty is positive and is moderately strong because the nifty index is composed of many companies also with banks which also affect the performance of nifty.

2. Sarkar and Das (1997) conducted” A study on comparison of the performance of the three bank sectors - public, private and foreign” for the year 1995-1996.These banks are compared in terms of profitability, productivity and financial management. They find that the public sector banks are very poor in

performance than the other two sectors due to lack of technology and innovative ideas.

3. Gaganjot Singh (1998) in his study "New innovations in banking industry – a study of new private sector banks" views that the new private sector banks in India are using better technology and are offering better services to the customers. As the public sector banks have already established a huge customer base, they become complacent and are slow to become customer friendly. They are also less innovative in the use of technology.

4. Garima chaudhary(2014) conducted a study on "Performance comparison of private sector banks with public sector banks in India" . He concluded that the major area of concern for any bank is the customer service and customer satisfaction, thus just like the private sector banks, it is high time that the public sector banks also start concentrating more on the customers and the services provided to them. Top most rank held by a private bank is a clear indicator of the better performance of the private banks due to their higher concern towards customer feedback, their efficient management and thus yielding to higher productivity and networks throughout India.

D. Research Methodology:

1. Data collection is secondary data collected from NSEindia.com. Respective company prospectus is used to get details regarding bonus issues, stock split etc.

2. The research is designed by using the analysis tools like Simple percentage to calculate stock and market returns and correlation coefficient to compare the stock and market returns

E. Data Analysis & Interpretation:

The returns of stock and market has been calculated as the difference between the closing Price and opening price and divided by the offer price. The result figure was multiple by 100 to set the figure in percentage.

Stock or market return = P1 – P0/ P0

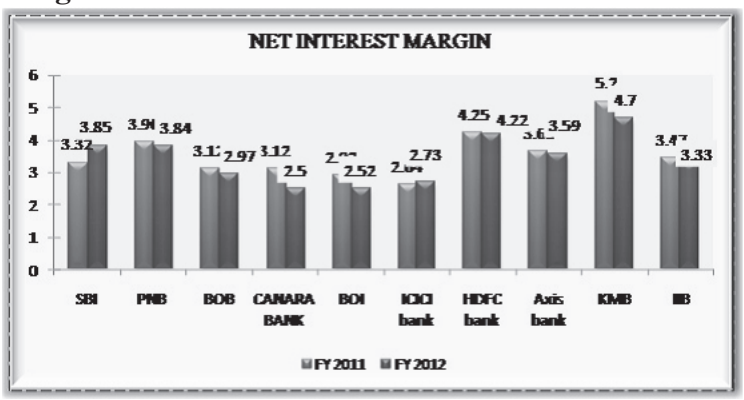
Where, P1 =closing price of stock or market P0= opening price of stock or market

Correlation	Nifty Bank	Nifty
Hdfc	0.4692	0.6381
Icici	0.9082	0.8295
Axis	0.9387	0.8304
Yes Bank	0.8414	0.7192
Kotak Mahindra	0.8480	0.7704
Federal	0.6877	0.5472
Karur Vysya	0.4318	0.3896

Financial Performance of Private Sector Banks with Reference to ICICI Bank and Selected Private Banks:

Banks	Net Profit Margin	Return on Net worth	Return on Assets	Interest spread	Cash Deposit Ratio	Total Assets Turnover ratio
ICICI	20.65	13.29	1.5	7.3	6.6	6.8
HDFC	19.93	18.00	1.8	8.0	6.5	9.2
AXIS	19.99	16.59	1.6	7.2	5.9	8.3
Kotak Mahindra	20.43	13.11	2.0	8.7	5.3	10.3

Net Interest Margin



Market Capitalization of Banks Currently Under Review

Name Of Bank	Year Of Listing	Market Capital (In Cr.)
ICICI Bank	1997	97661
HDFC Bank	1995	147982
Axis Bank	1998	45957
Kotak Mahindra Bank	2003	49649
IndusInd Bank	1997	19648

F. Findings:

- The performance of nifty bank is dependent on the performance of top private sector bank.
- In last two years it is clear that nifty bank shows negative growth rate whenever top private sector banks are down in its growth rate.
- Similarly, the performance of all the banks was high in the month of Mar 2016 except Federal bank and HDFC.
- The performance of nifty bank is fluctuating and their performance was maximum in the months of May 2014 and mars 2016 same as private sector banks.

- The relation between all the banks and nifty banks are positive and almost strong except Karur vysya bank which is 0.4318.
- The relation between all the banks and nifty are positive and are strong except Karur vysya bank which has very week relation.
- The relation between ICICI, Axis and Yes bank with nifty and nifty bank are relatively very strong when compared with other banks.

G. Conclusion:

Today the banking sector in India is fairly mature in terms of supply, product range and reach. As far as private sector and foreign banks are concerned, the reach in rural India still remains a challenge. A growing economy like India requires a right blend of risk capital and long term resources for corporate to choose an appropriate mix of debt and equity, particularly for infrastructure projects which is the need of the day. A well functioning domestic capital market is also necessary for the banking sector to raise capital and support growth and also have suitable capital adequacy ratio to mitigate risk. Bank investments are also showing an increasing trend. After researching banking sector researcher found that different problems are increasing to banking sector because of the money market has always down.

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STUDY OF FINANCIAL ANALYSIS

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ABSTRACT :

The success of every business enterprise is directly related to the competencies of business management. The business enterprise can, as a result, create variations of how to approach the new complex and changing situations of success in the market. Therefore managers are trying during negative times to change their management approach, to ensure long-term and stable running of the business enterprise. They are forced to continuously maintain and obtain customers and suppliers. By implementing these measures they have the opportunity to achieve a competitive advantage over other business enterprises.

Key words : *Financial analysis, company, profit, activity, profitability, liquidity, indebtedness*

Introduction

In a global market economy that is determined by its constant uncertainty, the business enterprises are faced with demanding economic conditions. They are exposed to constant changes of environment as well as uncompromised pressure of competitors, who are trying every day to increase the quality of their products and services and continuously to progress ahead. This fact results in a negative impact on the whole performance of the business subject.

Objective

The objective of this article is to provide basic knowledge about financial analysis ex-post and subsequently to evaluate the business subject progress in an area of activity, liquidity profitability and indebtedness, to reveal strengths and opportunities that the business subject should rely on. Furthermore, it also aims to determine weaknesses and threats that could lead them to difficult situations and based on the results to provide measures to improve the system of financial economic analysis of the business subject.

Methods

In this article the basic scientific methods used were analysis, synthesis, induction, deduction and hypothesis creation. A synthesis of theory and knowledge will serve to obtain the theoretical basis to meet the set objective. The analysis will focus on the financial statements of a public limited company which produces equipment and components for the mining, chemical and energy industries, as well as boat and

marine components. From the results of the analysis, by induction, deduction and hypothesis creation, we shall draw conclusions and suggest actions for improvement of the business subject's financial and economic analysis system.

1. Financial Analysis Of The Selected Company

The financial situation of the business subject is considered to be a complex output of their whole performance. This output is presented through the ratio indicators of activity, profitability, liquidity, indebtedness and market value. These indicators are based on the synthetic indicators of financial accounting and they demonstrate the complexity of the business subject's performance interpretation (Baran and Pastýr, 2014, 6).

Financial analysis - Ex post

A financial situation analysis is the foundation of the company's economic performance analysis and usually proceeds down to primary fields and results as effectivity, efficiency, production capacity utilisation, supplement management and the like. Financial analysis detects weaknesses and strengths of the company, is the tool of "health" diagnostics and provides essential information to business management and to owners (Vlachynský, 2009, 369).

Sedláček understands the financial analysis of the company as a method of the company's financial management evaluation, during which the data obtained is graded, aggregated and compared to each other. Furthermore, the relationships between them are quantified, looking for the causal connection between the data and their development is determined. This increases the explanatory power of data processing and its informative value. Thus it focuses on identifying problems, strengths, weaknesses and foremost the company's value processes. Information obtained through financial analysis enables us to reach some conclusions about general management and the financial situation of the company and represents a background for management decision making (Sedláček, 2009, 3).

The main purpose of financial analysis is to express assets and the financial position of the company and to prepare the inputs for internal management decision making. The complexity and continuous execution are the essential requirements of financial analysis (Hrdý, 2009, 118).

The company's financial situation is diverse and a multifaceted complex phenomenon; consequently this diversity is transferred also into the financial analysis process. The user of the financial analysis results decides which indicator's to select and the priority of utilisation of individual parts of the financial analysis according to demand and intention (Baran et. al, 2011).

The review of the company's financial situation is declared by the system of financial indicators, which have to be in order and designed to reflect all the

important aspects of the financial situation. Therefore, for a description of the financial situation the ratio indicators are used. The ratio indicators enable a comparative analysis of the company with other companies or with indicators for the relevant area. The sum of ratio indicators we'll present, can be considered as the sum of representative indicators. Specifically, these will be the most commonly used indicators of the financial situation characteristics. However, along with the practical application, dozens of indicators are used, and it is not possible to mention all of them (Baran, 2015).

In practice, the use of several basic indicators has been proven relevant which can be categorised into groups according to individual areas of management evaluation and the financial health of the company. Mostly these are groups of indicators such as debt, liquidity, profitability, activity, capital market indicators, as well as other indicators (Knapková, 2013, 84).

Financial analysis - Indicators of activity

The activity indicators are used for business asset management, because they evaluate how effectively a business subject manages their assets. A business subject rates the commitment of individual items of the capital in certain forms of assets. If the business subject may have more assets than is appropriate, then unnecessary costs are incurred and the profit is adjusted. In contrast, if the business subject may have few assets the possible incomes may be lost (Baran, 2015).

When applying indicators of activity we see a problem in the work with flows and stocks. While the balance sheet represents assets and liabilities at a particular point in time, the profit and loss statement records the costs and revenues continuously over the year. Therefore, when working with those indicators it is necessary due to the least possible deviation from the actual that the calculation shows the average of individual balance sheets items (Pastýr, 2014).

The time of stock turnover testifies how many days does a stock turnover take. In other words, it indicates the time that is required for the transition of financial resources through production and products back into the form of money. The ideal situation is when the business subject over time shows a decreasing value of this indicator. A short time (time scale) is usually the expression of greater efficiency. However, it is necessary to take into account the nature of the business. Alternatively, in the denominator instead of revenues the costs can be used.

$$\text{stock turnover} = \frac{\text{average stock}}{\text{revenues}} \times 365$$

The receivables turnover tells how long the business assets hang in the form of receivables or in how long time the receivables are paid on average. The recommended value is obviously the standard time period of invoices maturity, because most of the consigned products are invoiced and each invoice has its

maturity. If the time period of receivables turnover has been longer than the standard time period of invoices maturity that would mean failure to comply with the trade credit policy from business partners. However, at present it is quite common that the time of invoices payment exceeds the declared. Definitely, in this case it is important to take into consideration what is the size of the analysed company. For small businesses the longer period of receivables maturity may cause significant financial issues with the possibility of bankruptcy. While large businesses are from the financial point of view more able to tolerate longer period of maturity. The time horizon, which could be considered as optimal, should also meet the criteria of business commercial policy (Růčková, 2005, 122).

$$\text{receivables turnover} = \frac{\text{average stock of short} - \text{term receivables}}{\text{revenues}} \times 365$$

The maturity of short-term liabilities reflects the time of incurrence until its payment. This indicator should reach at least the values of receivables turnover maturity. The indicators of receivables turnover maturity and the liabilities turnover maturity are important for assessing the timing differences from the inception of receivables until their collections and from incurring of liabilities until the payment. This difference directly influences the business liquidity. As far as the turnover, the time of commitment is greater than the sum of stock and receivables turnover, the suppliers credits finance receivables and stock, which is preferable. However, it may reflect low liquidity levels. Between the level of liquidity and activity is a close connection and a certain compromise should be looked for (Knapková, 2013, 105

$$\text{liabilities turnover} = \frac{\text{average stock of short} - \text{term liabilities}}{\text{revenues}} \times 365$$

The long-term asset turnover is relevant in decision-making to determine whether to procure the next long-term production asset. A lower value of the indicator than the average in the field is a signal for production to increase capacity utilisation and for financial managers to reduce business investments (Sedláček, 2001, 61).

$$\text{long} - \text{term asset turnover} = \frac{\text{revenue}}{\text{average stock of long} - \text{term assets}}$$

In general, with asset turnover, it applies that the larger the value of the indicator, the more positively the situation is assessed. A minimal recommended value of this indicator is 1. Yet the value is influenced by the industry as well. A low value of indicator means a disproportionate business subject's asset facilities and its inefficient use (Knapková, 2013, 104).

$$\text{asset turnover} = \frac{\text{revenues average}}{\text{stock of assets}}$$

In this case, it is possible to substitute the revenues with the profits, though the result may be overestimated due to different types of income that are not related to the main business activity.

It is appropriate to use the sale or revenues from the sales of ones own products and services or to combine both kinds of profits (Knapková, 2013, 104).

Financial analysis - Indicators of profitability

The indicators of profitability, sometimes referred to as indicators of profit, return, profitability ratio, are designed as a ratio of the final effect achieved by business activity (output) to some comparative base (input) that can be on the side of assets as well as on the side of liabilities, or to another base. These indicators display the positive or also negative influence on asset management, the business subject's financing and liquidity on profitability (Kislingerová, 2007, 83).

A return on sales indicator explains to us, how is the business subject able to use inputs for their effective operations. The final value of this indicator is directly influenced by the character of the business activity, price policy, production regulation, etc. A more accurate statement of this type of indicator provides us a ratio of partial results of the business subject's management to their revenues (Baran, 2015).

$$\text{return on sales} = \frac{\text{net income}}{\text{income}} \times 100$$

$$\text{operating return on sales} = \frac{\text{operating profit}}{\text{income}} \times 100$$

$$\text{share of added value in revenues} = \frac{\text{added value}}{\text{income}} \times 100$$

The profitability indicator (return of income) of total capital compares the result of business activity with the volume of invested capital (Farkašová, 2007, 42). This indicator specifies the assessment of total capital, the business subject has used for their activity. By assessment of the capital part of the equity, is a process of profit distribution after tax. It is possible for the business subject to execute the profit distribution after tax, but not until the general assembly approves the following:

- to increase capital,
- to subsidise funds from revenues,
- to retain the profit after tax undistributed or
- to repay dividends (in the case of plc).

By valorisation of capital, the business subject is commissioned to pay back part of the capital to the lender. Professional literature states an indicator level reference not to be higher than the interest rate of long-term loans.

$$\text{return on assets (ROA)} = \frac{\text{net profit}}{\text{assets}} \times 100$$

A return on equity is essential for the business subject's owners and for lenders has a supporting meaning. In general, the value of indicators should be higher than the interest rate of risk-free bonds (Černá, 1997, 73).

$$\text{return on equity (ROE)} = \frac{\text{net profit}}{\text{equity}} \times 100$$

The level of return on equity is strongly dependent on the return on assets and on the interest rate of borrowed capital. The increase of the indicator ROE mostly depends on the level of the business subject's created profit, on a drop in interest rate of the borrowed capital, on a decline in the equity's share on a business subject's return on assets and a combination of all previous factors (Baran, 2015).

Financial analysis - Indicator of liquidity

Liquidity is a combination of all potential liquid resources that are available for the company to meet their payment obligations. According to professional literature solvency is defined as the readiness of the business subject to undertake payment of their obligations at the time of their reimbursement and therefore is one of the basic conditions of the company's successful existence (Sedláček, 2009, 66).

We can conclude that there exists mutual conditioning of liquidity indicators and solvency. The condition of solvency is to attain that the business subject would have part of the assets bonded to the available assets, which are disposable to obligations for reimbursement in the form of short-term financial assets- mostly bank accounts. Furthermore, we are able to conclude that the condition of solvency is liquidity. The indicators of liquidity are put into the ratio: the individual short-term financial assets against short-term obligations. Indicators of liquidity engage into the most liquid part of the business subject's assets and are divided according to level of liquidity of individual assets, which are mentioned in the numerator of financial statements- the balance sheet. The disadvantage of indicators is that these indicators evaluate liquidity according to balances of short-term assets (current assets) which on the other hand mainly depends on future cash-flow (Baran and Pastyr, 2014, 9).

Liquidity of the 1st level shows, how many times the short-term financial assets (current assets) covers the short-term obligations of the business subject. This means, how many times is the business subject able to satisfy their lenders, if they would convert some of the short- term assets (current assets) items instantly into available assets (Baran, 2015, 10).

For the success of the company it is essential to pay short-term obligations from those assets that are designated for this purpose (Valach, 1999, 109). The 1st level liquidity indicator has its meaning foremost for the lenders of business subject's

short-term obligations and provides information of the extent to which the short-term components of capital (borrowed capital) covers the value of the asset, because lenders undertake some risk, which is, that their claim won't be reimbursed. The higher the value of the 1st level liquidity indicator is, in general, the more likely is the business subject's solvency is ensured.

This characteristic is only really a rough sketch, because its explanatory ability further depends on the current assets structure, liquidity of individual kinds of current assets and as well on the type of industry the company operates in (Valach, 1999, 109).

Golden statistic rule

Every kind of asset should be financed by the source of the asset with the reimbursement period (liquidity) that corresponds to the period of effective use of relevant asset. This fact is considered as the basic finance management rule and is called the golden statistic rule (Šlosárová, 2006, 351).

The golden statistic rule requires that the source coverage of long-term assets (LA) is long- term sources coverage (LC). This means that the financial resources won't be available for shorter than the commitment of equity participation, for which this serves. A relationship between long-term assets and long- term sources can be in this case threefold (Kotulič, 2010):

- LC < LC, or LA – LC < 0 => company is pre-financed,
- LA > LC, or LA – LC > 0 => company is under-financed,
- LA = LC, or LA – LC = 0 => company assets are optimally financed.

Balance equilibrium, which has to be preserved in the balance sheet, results in these relationships having an effect on the current assets and its finance. The current assets (CA) should be covered mostly by current sources (CS). The difference between CA and CS is called a NET working capital.

NET working capital

The net working capital is an indicator, which reconstructs part of the current assets (current assets) that is financed by long-term financial resources, either by equity or by borrowed capital. The business subject's net working capital enables in theory a case that the business subject in real time is obligated to reimburse a significant proportion of their short- term obligations, which form a meaningful source of their funding to further operate. The overload of current assets towards short-term obligations demonstrates to us that the business subject is from the point of view of current liquidity liquid. This means that the business subject has a financial background in the form of long-term financial resources. (Baran, 2015)

NWC = current assets – short-term obligations where NWC is the net working capital.

1.1.5 Financial analysis - Indicators of indebtedness

The term of indebtedness expresses the fact that the company finances their assets by foreign sources. By using foreign sources the company affects both the profitability of shareholders as well as the business risk. Today, it's practically pointless for large sized companies to finance all their assets from equity or vice versa only from foreign capital. By using only equity would result in an overall return on invested capital reduction within the company. On the other hand, financing of all business activities only by foreign capital is excluded, because within the legal regulations a certain mandatory amount of equity to start a business is bound. Therefore, in business finance activities its own as well as foreign capital are implicated. The main motive of financing their activities by foreign capital is the relatively low price compared to its own resources. The involvement of foreign sources in business financing enables reduce costs for the use of capital in the company (Kislingerová, 2007, 96).

Although the theory of referred higher cost of equity compared to foreign capital is questionable, at the present time of low interest rates it seems to be more advantageous to use ones own equity unless the company or shareholders have it at their disposal.

The indicator of total indebtedness, which is expressed by the ratio of foreign sources to overall assets further expresses to what extent the assets of the company include foreign sources. The creditors do not prefer too high a proportion of debt. Rather they favour a lower proportion of debt. This gives them greater assurance that in the case of the company's liquidation their receivables will be more likely satisfied. For the owners, the foreign sources are less expensive than their own and at a higher debt rate the profitability of capital is increased. The optimal value of this indicator for the production company is 40 % up to 60 % (Farkašová, 2007, 39).

$$\text{total indebtedness} = \frac{\text{foreign sources}}{\text{assets}} \times 100$$

To measure the indebtedness, a ratio of equity to total assets is used.- coefficient of self-financing, which is a complementary indicator (self-financing) and their sum with total indebtedness should give 100 %. This indicator expresses the proportion, in which the assets of the company are financed by shareholders' finances. It is considered as one of the most important ratios of indebtedness for the overall financial situation assessment. Yet once again the relationship with the profitability indicator is important (Růčková, 2005, 117).

$$\text{coefficient of self} - \text{financing} = \frac{\text{equity}}{\text{assets}} \times 100$$

Insolvency notes the relationship between items- assets and liabilities. If the resulting value is greater than 1, it is a so-called primary insolvency and if the value is less than 1, we're talking about so-called secondary insolvency of the company (Farkašová, 2007, 40).

$$\text{insolvency} = \frac{\text{short} - \text{term liabilities short}}{\text{term receivebles}} \times 100$$

Credit indebtedness is interpreted as a mutual relationship between bank loans and overdrafts in the numerator and foreign sources located in the denominator. The resulting relationship is expressed in a percentage (Pastýr, 2014).

$$\text{credit indebtedness} = \frac{\text{bank loans and overdrafts}}{\text{foreign sources}} \times 100$$

The indicator of interest coverage expresses the number of times the profit is higher than the paid interest. Hence this indicator is used by the company to determine whether the debt burden is feasible. It informs shareholders about the company's ability to pay interests and creditors about whether and how to ensure their rights in the case of the company's liquidation. The inability to pay the interests payments from the profit can predict approaching business bankruptcy. If the value of this indicator reaches a value of 1, the entire profit would cover the interest expense. Thus it is recommended that the value of the indicator is higher than 3 (Hrdý, 2009, 130).

$$\text{interest coverage} = \frac{\text{economic result before tax + interest expense interest}}{\text{expense}}$$

The indebtedness flow tells about the value of commitment in terms of total annual cash flow of the company. This indirectly implies about the time required to cover the debts from the annual perspective, where the entire value is considered 100 %. Usually it is required that the repayment of debt is not longer than 3 years (Farkašová, 2007, 40).

$$\text{indebtedness flow} = \frac{\text{foreign sources}}{\text{cash flow}}$$

The indebtedness is not always a negative characteristic of the company. Nevertheless, the higher the debt, the greater the business risk and the harder it is to obtain foreign sources of financing foremostly to get a loan from a bank (Šlosárová, 2006, 345).

2. Results and Discussion

In this chapter we interpret the financial-economic analysis of assets, liquidity, profitability and indebtedness, the golden statistic rule or the net working capital in the specific example of the following business subject. The research consists of results from the calculations, graphs and following the course and trend evaluation of the monitored indicators. The data for financial-economic analysis has been derived

from financial statements as the balance sheet, and profit and loss account. For the cause of relevance we used the statements, reports dated from 2009 till 2014.

Activity indicators of the monitored business subject

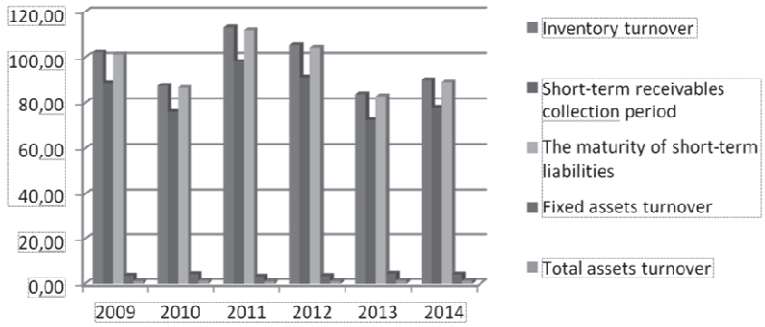
In the next subchapter we'll look how a business subject manages its assets and what is its effectiveness. The exact values of the analysed indicators and their development can be seen in Table 1 and Graph 1 (see Tab. 1 and Graph 1 below).

Tab. 1 Indicators of activity

	m. u.	2009	2010	2011	2012	2013	2014
Inventory turnover	day	102,41	87,69	113,29	105,36	83,75	90,16
Short-term receivables collection period	day	88,77	76,01	98,20	91,32	72,60	78,16
The maturity of short-term liabilities	day	101,35	86,79	112,13	104,27	82,89	89,24
Fixed assets turnover	coef.	3,85	4,50	3,48	3,74	4,71	4,37
Total assets turnover	coef.	1,18	1,38	1,07	1,15	1,44	1,34

Source: (Pastýr, 2014, 72)

In graph 1, the activity indicators of the monitored business subject are graphically shown. **Graph 1** Indicators of activity



Source: (Pastýr, 2014, 73)

The values of assets turnover through the analysed period both increased and decreased. The highest value the company recorded in 2013 i.e. 1.44. The weakest asset use of the business subject has been reached in 2011 with the value 1.07. This result has been mostly affected by an item production in progress and semi-finished products with the value € 3,418,601, which entered in the following year the highest value € 20,425,932. With the decline of production in progress also the profits decreased, which in 2011 have been the lowest during the reporting period. This implies that the business subject had during this time issues with contracts, which has been proved as well by employment decline from 477 to 307. In the last year the indicator declined slightly due to the growth of long-term fixed assets.

The long-term asset turnover has the same development as total assets turnover, though the differences between the values are greater. Fixed assets had approximately the same value, but is worth noting that in 2013 the value is € 8,719,077 and in 2014, the value is € 26,737,025. The difference between them was due to constructions and separate movable assets and sets of movable assets, which grew from the merger of the analysed business subject with SAM by the E.S.C.B, Inc. Bratislava. The indicator reaches its lowest value in 2011 at 3.48. In this year, as we already stated, the decline of profits from sales of their own products and services occurred.

The indicator of the stock turnover time period has fluctuating values by 6 months. The peak was reached in 2011 of 113 days. This long stock turnover was been mainly caused by the decline of material and production in progress and semi-finished products. In this year the revenues decreased by about € 10,960,961. The ideal situation is to achieve the minimum of this indicator, which occurred in 2013, when the stock turnover amounted to 83.75 days.

The receivables and stock turnover time period show similar trends. The lowest value was reached in 2013, when the short-term receivables collection period was 72.60 days and maturity of short-term liabilities was 82.89 days. In every reporting year we can see that the short-term receivables collection had a lower value than the maturity of short-term liabilities. For the business subject this state is of a positive nature, because it expresses that the customers repay their debts before the business subject repays its liabilities.

Profitability indicators of the monitored business subject

The indicators of profitability are designed as the business subject's economic result rate (output) to a comparative item (input). These indicators tell us at what level is the business subject able to reach profit with the help of the capital used. In table 2 (see Tab. 2 below) the profitability indicators values are shown.

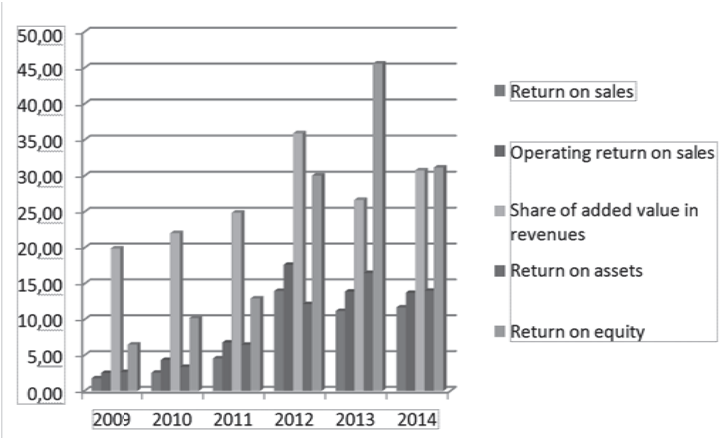
Tab. 2 Indicators of profitability

	m. u.	2009	2010	2011	2012	2013	2014
Return on sales	%	1,77	2,55	4,54	13,98	11,18	11,68
Operating return on sales	%	2,52	4,34	6,77	17,65	13,90	13,74
The share of value added in revenues	%	19,90	22,04	24,87	35,90	26,64	30,75
Return on assets (ROA)	%	2,65	3,36	6,46	12,15	16,50	14,03
Return on equity (ROE)	%	6,48	10,18	12,94	30,03	45,59	31,14

Source: (Pastýr, 2014, 71)

In graph 2, the profitability indicators of the monitored business subject are graphically shown.

Graph 2 Indicators of profitability



The profitability indicator of return on sale interprets that the business subject has reached a profit increase, which was highest in 2012 with the value 13.98 %. This was caused by a larger amount of orders and subsequently the increase of supplies at the date of the report compilation. In the following two years this value decreased due to a slight change of sales return state which stabilised to the level 11.18 % and 11.68 %.

The return on sales shows a similar trend to the operating return on sales. Until 2012 the operating return on sales has shown an increase, when the indicator reached almost 17.65 % mainly due to the lower return on sales of their own products and services and due to higher profit from business activity operations. In the last two years the income from operations stabilised yet the revenues increased, which caused the indicator to decrease to 13.90 % and to

13.74 %.

Once again, in 2012, the share of added value to revenues, displayed the highest value at

35.90 %, which for the business subject over the last 6 years was the most successful. Within the next two years, a lower value occurred mainly due to change of revenues size from the sale of their products and services. The indicator shows overall positive progress.

The positive profitability of the total capital reflects the production power, and provides details about the effective asset utilisation and thus the assets of the business subject. This indicator has been increasing every year and the highest value reached in 2013 of 16.50 %. In the following year, only a small decline to 14.03 %

occurred mainly due to the merger with a minor business subject and due to the increase in fixed assets of land, buildings and non-fixed assets.

Return on equity invested by the owners into the business, reached a positive value as well, which is a positive signal for the business subject's owners. It is worth noting 2013, in which the return on equity reached the level of 45.59 %. This was caused by a decrease of retained earnings, which means, that the profit was redistributed among owners of the public limited company via dividends reimbursement.

Liquidity indicators of the monitored business subject

The business subject's ability to repay their obligations is a necessary factor for a long- term successful venture. Therefore constant monitoring is important by both the business subject and by external users, who could cooperate with the business subject or that already cooperate with them. In table 3 (see Tab. 3 below) the values of the 1st, 2nd and 3rd level liquidity indicators are shown.

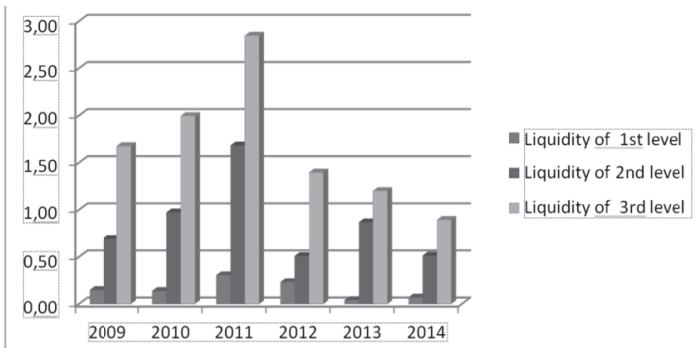
Tab. 3 Indicators of the 1st, 2nd and 3rd level of liquidity

	m. u	2009	2010	2011	2012	2013	2014
Liquidity of 1st level	coef.	0,15	0,14	0,31	0,23	0,04	0,07
Liquidity of 2nd level	coef.	0,69	0,97	1,68	0,51	0,87	0,52
Liquidity of 3rd level	coef.	1,68	2,00	2,85	1,40	1,20	0,89

Source: (Pastýr, 2014, 71)

Graph 3 shows the monitored business subject's indicators for the 1st, 2nd and 3rd level of liquidity.

Graph 3 Indicators of the 1st, 2nd and 3rd level of liquidity



Source: (Pastýr, 2014, 71)

According to the recommended range for engineering business subjects indicated by professional literature the values of the 1st level of liquidity should vary from 0.2 to 0.6. When looking at the table, it is visible that the values of the monitored business subject are generally much lower and they don't reach the recommended value. This

tells us about the business subject's inability to instantly refund their short-term obligations. The lowest rate that the indicator has registered was during the most recent two years, when the values reached 0.04 and 0.07 %. These low values were mainly caused by an increase of obligations from business relationships and an increase of obligations towards the owners. Two exceptions can be taken as a positive fact and that is 2011 with a value of 0.31 and 2012 with a value of 0.23. The 2nd level of liquidity should vary within an interval of 1-1.5. Within this range only the value 1.68 achieved in 2011 is located. In recent years, the values were lower than the interval limit 1. The lowest value 0.51 was reached in 2012. This value was largely influenced by accruals, more accurately, by short- term deferred revenues, which reached up 17 400 198 €. From these values we can assume that the business subject besides in 2011 didn't have the ability to refund their short-term obligations with their short-term receivables. Also in the case of a need to repay their short-term obligations the business subject would have to proceed with a change of less liquid assets to more liquid assets. For the 3rd level of liquidity the business subject's supplies were included. The recommended values should vary between 2 and 2.5. Within this range falls 2010 with the value 2 and 2011 with the value up to 2.85. For some positive fact we can consider that the business subject has their 3rd level liquidity over the value of 1, which creates a situation, in which they are able to repay their short-term obligations with their current assets. The indicator's lowest value is achieved by the business subject in 2014 at 0.89 due to changes of several items of production in the progress decline, blank stock, business relationship receivables, the increase in other current reserves and liabilities towards partners.

Horizontal liquidity of the monitored business subject

In the following part of the article we will outline the achieved values of different indicators, the golden statistic rule and the net working capital of the business subject.

Golden statistic rule

In table 4 (see Tab. 4 below) the values of the golden statistic rule indicator of the monitored business subject for each year are shown.

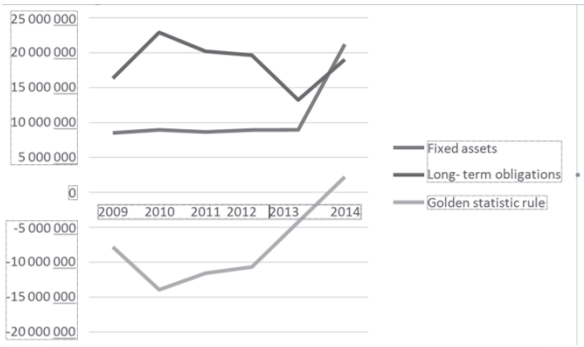
Tab. 4 Indicator of the golden statistic rule in €

	m.u.	2009	2010	2011	2012	2013	2014
FA	€	8 502 386	8 940 079	8 622 571	8 919 781	8 955 423	21 217 512
LO	€	16 325 290	22 915 781	20 215 408	19 635 581	13 229 395	19 020 903
FA-LO = GSR	€	-7 822 904	-13 975 702	-11 592 837	-10 715 800	-4 273 972	2 196 609

Source: own research

In graph 4 the business subject's indicator of the golden statistic rule is graphically displayed.

Graph 4 Indicator of the golden statistic rule in €



Source: own researchr

A view of the business subject's long-term funding displays the golden statistic rule. From graph 4 it is clearly seen that the business subject was in all analysed years of time series, with exception of the latest year, over-financed. This indicates that they have more long-term resources as fixed asset that is owned by the business subject.

Given the fact that the business subject disposes of approximately the same fixed asset value, the size of difference is conditional mostly on equity development and by accruals. The highest negative value was reached by the business subject in 2010 due to a high level item of deferred long-term earnings. From this year the value of the golden statistic rose slightly. In the latest year the indicator's value reached a negative value due to the merger of the monitored business subject with a minor business subject, resulting in high growth of fixed assets mostly in the form of buildings and non-fixed assets.

Net working capital

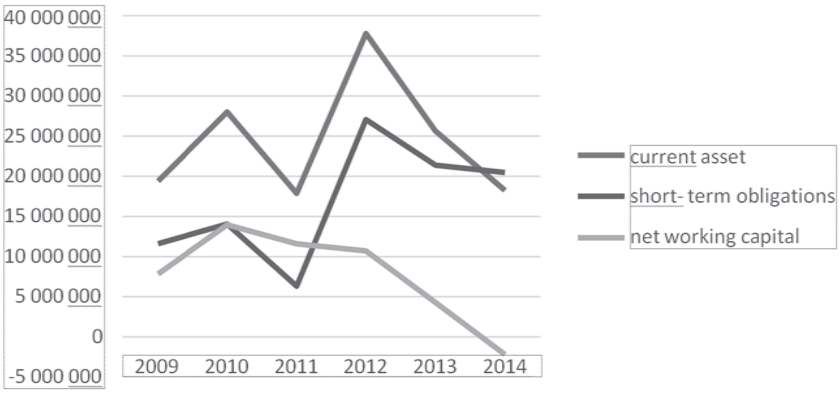
In table 5 (see below Tab. 5 below) the indicator values of net working capital by the monitored business subject for each year are listed.

Tab. 5 Indicators of net working capital

	2009	2010	2011	2012	2013	2014
CA	19 403 638	28 020 007	17 872 437	37 793 178	25 639 724	18 248 631
SO	11 580 734	14 044 305	6 279 600	27 077 378	21 365 752	20 445 240
CA-SO=NWC	7 822 904	13 975 702	11 592 837	10 715 800	4 273 972	-2 196 609

Source: own research

In graph 5 the indicator development of net working capital by the monitored business subject is graphically displayed.



Source: own research

Graph 5 Indicators of net working capital

From the viewpoint of a comparison with net working capital we can state that NWC has a natural reverse correlation with the golden statistic rule. In the business subject until 2012, current assets exceeded short-term obligations. This fact from the business subject's point of view is judged as positive, because in the case of necessity, the business subject is able to reimburse their obligations by current assets, which testifies of their good financial situation. According to graph 5 we can conclude that this value from 2010 decreases due to the decline of incomplete production and blank stock. In 2012, 2013 and 2014 the decline is also caused by the increase of business relationship obligations. In the last reporting year, 2014, the net working capital reached negative values. Based on this, arises slightly unfunded debt, which is for the business subject a warning signal, because in the need for repayment of short-term obligations, they would be forced to sell part of their fixed assets and thereby would be forced to influence the business subject's operations.

Indebtedness indicators of monitored business subject

By means of these indicators, we look at the financial structure and indebtedness of the business subject and its indebtedness repayment ability. The results are shown in table 6 below.

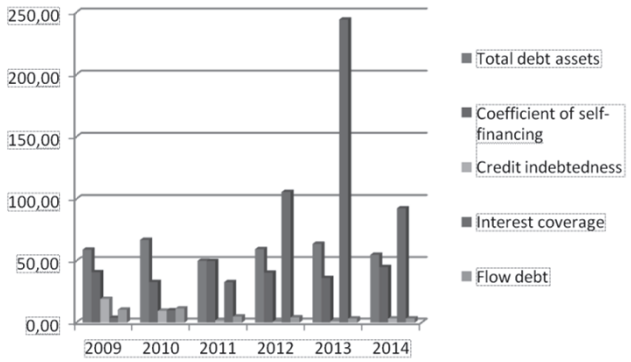
Tab. 6 Indicators of indebtedness

	m. u.	2009	2010	2011	2012	2013	2014
Total debt assets	%	59,12	67,01	50,08	59,54	63,80	54,94
Coefficient of self-financing	%	40,88	32,99	49,92	40,46	36,20	45,06
Insolvency	coef.	1,12	0,99	0,76	1,16	1,18	1,98
Credit indebtedness	%	19,14	9,54	1,92	0,80	1,22	3,27
Interest coverage	coef.	3,94	9,97	32,78	105,71	244,30	92,55
Flow debt	year	10,51	11,50	4,94	4,22	3,31	3,36

Source: (Pastýr, 2014, 74)

In graph 6 the indebtedness indicators of the monitored business subject are graphically shown.

Graph 6 Indicators of indebtedness



Source: (Pastýr, 2014, 74)

Total assets indebtedness during our 6 year reporting period showed a fluctuating character. Their values are in the range from 50.08 up to 67.01. For the optimal total indebtedness is considered the value 50 %. The company was the closest to this point in 2011 with the value 50.08. They were the most in debt in 2012 with the value 67.01 mainly due to the increase of time differentiation or profits from future long-term periods.

The coefficient of self-financing is directly related to total assets indebtedness, which assesses the field from the point of view of the company's owners and its sum is made of 100 %. Thus its development is the opposite and equally volatile to total asset indebtedness. The business subject was the most financially independent in 2011 with 49.92.

Immediately in the first reporting year the indicator of insolvency had the highest value of 2.04, from which we can judge that the business subject had issues surrounding its own activity, whereas its liabilities to receivables were higher by more than twice and its the initial insolvency mainly due to short-term trade receivables. The business subject entered secondary insolvency in 2011, when the indicator's value was 0.91 due to a slight increase of short-term receivables and decrease of short-term liabilities from trade.

In 2012 the credit indebtedness was a decreasing trend. The highest financing of foreign sources through bank loans was reported in the first reporting year of 2009 with 19.14 %. In 2012 they reached the lowest value of only 0.80 % due to an increase of time differentiation item profits from future long-term periods.

The interest coverage after 2013 showed an increasing trend. Its value increases exponentially, which can also be seen on the graph. In 2009 this indicator reached

the value only of 3.94, which was caused by low pre-tax trading income and higher interest expense. In 2013 this indicator increased to 105.71 and in 2013 to a value of 244.30, which was mainly due to high trade income before tax and low interest expense. This implies that the company covers their interests with its profit without any issues.

The indebtedness flow has a fluctuating trend. In 2009 and 2010 this indicator increases to the value of 11.50. Afterwards the indicator's decline until 2013, when the business subject would pay its liabilities (debts) at the formation of cash flow of 3.31 per year. Already in the last reporting year only a slight decrease occurred.

3. Proposal for Improvements OF Monitored Business Subject´S Selected Ratio Indicators of Financial-Economic Analysis

After the processing of financial-economic analysis several weaknesses of the business subject have been revealed. In the synthesis of this information and following induction we can generalise some measures for long- term successful operation of the business subject. It is the incorporation of the following measures.

The activity ratio indicator of the monitored business subject

At the time of stock turnover we propose continuous stock monitoring to prevent the adversely high inventory. As well in the future we propose some optimisation of stock flow management in relation to production or its improved procurement from various suppliers, storage and use through a precise time system, motion planning in parallel with production needs.

The time of short-term receivables collection can enable further possible business development within fair trade and good customer-supplier relationships. I see the possibility of improvement or the volume and frequency of short- term receivables reduction as well as the time period of their reimbursement in the incentives of customers themselves through the provision of cash discount, price discounts for payment before the due date of the relevant receivable and thereby ensuring stabilisation or receivables turnover time reduction.

A further possibility to decrease the short-term receivables collection is to introduce a strict internal control system in issuing e.g. customer invoices in the form of rescheduling.

To ensure the timely payment of receivables of less responsible customers it is necessary to apply the reminders notice mechanism or sanctioning for non-compliance of contractual conditions of payment.

In the case of receivables management improvement the acquired financial sources could be used to reduce the size as well as the short-term liabilities time period of the

business subject from trade by invoice reimbursement from their suppliers to maturity or sooner, or reducing the need to use short- term bank loans.

The long- term asset turnover has significant different values, thus I recommend that the business subject uses their long-term assets more effectively.

By decreasing the stock turnover time period ensures the greater production flexibility, because the high volume of stocks binds unnecessary finances that could be invested into other business areas e.g. into its development, modernisation and etc.

By reducing the short- term receivables time period through using a cash discount or price discounts for payment before maturity of the receivable will lead to a decline of unliquidated short-term receivables in the business subject. This allows further use of cashed financial sources e.g. the earlier payment of short-term liabilities of the business subject or reducing the need to use short-term bank loans. In the supplier this motivational tool can induce the willingness on his part to closer cooperate under favourable conditions. The introduction of an internal control system in issuing of customer invoices timeliness and excellence may ensured this.

The decline of the short-term liabilities time period or proper and timely payment of liability to a supplier can create between him and the business subject a favourable and competitive supplier-customer relationship that can be in the future reflected e.g. in material supply for more favourable quantitative and price conditions.

The profitability ratio indicator of the monitored business subject

We can state that the results of profitability indicators have positive values. That means the business subject achieves continuous profit. Almost all these indicators in a period of six years achieved within the recent two years a slight downward trend. The interests of the business subject is to stabilise or to increase these values. Therefore a continuous monitoring of indicators of sales and profit is required, to increase the level of these indicators. These objectives can be achieved by the following measures:

- by a flexible pricing policy,
- by improving the efficiency of the marketing mix,
- by efforts to win new customers and cheaper suppliers,
- by investing in financial market products for example in bonds and funds.

On the other hand, to prevent further decline of the business subject's profit, it is required to secure the economy and efficiency by optimisation of costs and by individual asset items utilisation. It is mainly the following cost items:

- the cost of material and energy consumption,

- by applying new production technologies and the use of new or innovated technology,
- by improving work organisation and production management in the form of production process harmonisation, production capacity utilisation,
- by raising the educational level of employees,
- the reduction of personnel costs,
- by standardised work of production employees,
- by optimisation of overhead employees,
- by optimisation of technical and administrative employees.

Following the introduction of design measures there is a premise of the business subjects economic result increase for the accounting period as well as the increase of the revenue indicators. The business subject will accomplish a stabilised position on the market by obtaining new and more advantageous financial relationships. As well higher profitability and more efficient capital utilisation for business subject's owners will be accomplished by realisation of the mentioned measures.

By optimisation of costs the business subject will secure their decrease and at the same time will create conditions for the implementation of innovative and new technologies and techniques that should be introduced to employees on the appropriate educational level.

The ratio and differential liquidity indicator of the monitored business subject

In 2012, the value of the golden statistic rule indicator for the monitored business subject registered growth due to the merger of two business subjects and the growth of current assets. The value of this indicator thus reached a positive value that means the business subject is under-financed. As a result of this adverse situation, three ways of this value reduction are proposed:

- by increase of their fixed resources of settlement by raising their equity through basic capital increase in the form of share issue,
- by bond issue,
- by increase of their external sources through obtaining of long-term bank loan.

Within the monitored business subject the current assets exceeds short-term obligations. The exception of this is the latest year, therefore we propose towards the future period to increase the business subject's liquidity by increasing the volume of their current financial assets:

- by reducing the time of debt collection from business relations (by discount, by monitoring, by mechanism of reminders, by penalties),

- by reduction of supplement turnover time (better supplement management),
- by advance charge on customised production,
- by sale of surplus assets, but this asset change could result in a lower ability for further business activities development in the future.

After the implementation of submitted proposals for increasing the business subject's liquidity, there is the premise of a business subject's solvency increase while the conditions for balanced development are created. The business subject will have the necessary financial resources and will be able to reimburse on time their short-term obligations with their financial resources as well as be able to use them for further development.

The indebtedness ratio indicator of the monitored business subject

Undertaking in relation to business activity, the business subject has acceptable values of total indebtedness as well as the self-financing coefficient, thus I do recommend to monitor, maintain and not to exceed this state or this indebtedness rate.

Regarding the insolvency indicator the business subject is primarily located in insolvency, therefore I recommend that the business subject shall try to reduce the level of a short-term liabilities.

After the incorporation of measures the level of equity and foreign capital will stabilise and the overall stability will be ensured. The business subject will seem more attractive in the provision of loans as well as in individual investments.

Conclusion

In the present turbulent competitive environment the financial analysis is an essential part of monitoring the business subject and is an important tool to support the decision making of various stakeholder groups. Also it provides a picture or feedback about the whole condition of business subject and their development and about a condition of individual operation areas. This analysis is able to identify factors that with the largest stake have caused undesirable results within the business subject. Through prediction models of financial-economic analysis the business subject is able to predict their future development and possible option for bankruptcy.

Among the benefits of this article belongs financial-economic analysis focused on the business subject's ratio indicators of activity, profitability, liquidity and indebtedness itself.

Related proposals mentioned in this article for weaknesses elimination which were found by financial analysis are focused on practical use in the business subject's experience.

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PERSONALISED BANKING SERVICES - A STEP TOWARDS RURAL DEVELOPMENT

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ABSTRACT :

Ever since the country gained independence, the Government of India has taken a plethora of measures for the development of rural areas along with the urban areas. This is perceptible from the first Five-year plan to the latest schemes announced by the Government, which distinguishably emphasize on rural development and enhancing farmers' income & welfare. To achieve these aims, RBI gives directives to banks for development of rural areas and for opening of bank branches in these areas. Personalised services targeted for the rural residents will make them active participants in the banking sector and they will contribute towards the growth of the economy.

The objective of thisresearch paper is to understand the preference of personalised services by bank customers residing in different areas of the UT of Dadra and Nagar Haveli. More than half of the population in this UT is residing in rural areas. The results of the study reveal that the urban bank customers have more preference for personalised services as compared to their rural counterparts and there is need to motivate the rural dwellers for utilising more personalised banking services for their own development and for the development of the economy.

Key words: *bank customers, finance, personalised services, rural areas*

1. Introduction

To achieve the objectives of all-encompassing growth, RBI initiates various development programs and gives directives to banks for development of rural areas. As rural economy is mostly based upon agriculture and allied activities, their requirement for finance is different from those of urban areas. They need specialized products suitable for their requirements. Tailor-made banking services, specially designed according to their requirements, will assist them in carrying out their activities effectively and efficiently. Personalised services are essential for meeting

the requirement of the rural residents and also to make them understand regarding finance.

Personalised banking services would also aid the financially illiterate rural folk in better managing their money with the help of professional financial consultancy services provided by the banks.For instance, there have been several cases in the UT of Dadra and Nagar Haveli, where the rural people came into windfall fortunes when their lands were acquired by industrialists or the government for setting up of factories, infrastructural projects etc. However, being financially illiterate, they could not manage their funds and soon exhausted all of it and endangered their future as they had already sold out their lands which were their only source of income. If such people had access to professional financial management services, they could have invested their fortunes wisely and secured their future with the substantial amount they obtained from the sale of their lands.

Personalised banking services not only satisfies bank customers but also delights them. Personalised banking services create an impression of special care and concern for bank customers. It creates an environment of trust which not only increases communication between the banks and their customers but also increase customers' loyalty towards their banks. A loyal customer becomes source of recurring income for the bank. Banking is a service-oriented industry and its existence depends upon the customers. So, providing them with world class services is necessity for the banks in this competitive environment of financial sector.

This paper is an effort to understand the preference of personalised services by bank customers residing in different areas of UT of Dadra and Nagar Haveli. As more than half of its population resides in rural areas, examining the choice of personalised services in this UT becomes significant and can be extrapolated for understanding the preference for personalised banking services in the country as a whole.

2. Literature Review

A research study conducted by Manal Mansour Alharth et. al. (2017) acknowledged the impact and attributes of the total quality management in banking services, reveals the significance and role of providing quality banking services to bank customers for enhancing the competitiveness of banks.

A study conducted in Nepal by Keshav Raj Bhatta and Bhanu Pratap Durgapal, (2016) aims to identify bank customers' perception about quality of service and customer satisfaction. Data is collected from 300 respondents from Kathmandu for this purpose. It found correlation between service quality dimensions and customer satisfaction.

A study was conducted in Ghana by Agbemabiese George Cudjoe (2015), on 120 respondents, the objectives of the study was to learn the effects of service quality on customer satisfaction in the Ghanaian banking industry. It took Ghana Commercial Bank as its research base. Five dimensions of SERVQUAL were applied to examine the data collected from respondents, under which the expectations and perceptions of GCB customers were studied. It reveals the effect of SERVQUAL on the quality of service. For better customer satisfaction, it proposes for excellent quality services to bank consumers.

A study was conducted in Algeria by HallouzWafaa and BenhabibAbderrezzak (2014), to identify the factors affecting customer satisfaction in banking sector. sample size is 650 respondents of Algerian public sector banks. The results show that there existssignificant relationship between good quality banking services and customer satisfaction

Amudha Ramachandran and Vijayabanu Chidambaram, (2012), conducted a study to recognize degree of customer satisfaction. The results disclose that customer satisfaction is affected by services of a bank provided on five scales of service encounters, waiting time of the customer, role of mediators, quality of service and handling of customer complaints by the bank. Their study proposed for maintaining long term customer relationships.

A study conducted by Canon Tong (2012) in Hong Kong on 306 respondents found out the effects of personalised banking services on customer satisfaction and loyalty. It found that there is important relationship between personalised services and consumer satisfaction. It also found that consumer satisfaction has direct influence on loyalty.

3. Objectives of the Study

The main objective of the present research paper is to find out the preference for personalisedbanking services by bank customersresiding in urban and rural areas.

4. Research Area

Bangalore and Tumkur is the selected geographical area for the present research study. More than half of its population resides in rural areas and constitute an important segment of this area. It consists of 65 villages grouped into 11 village panchayats and 6 urban areas. Also, this UT represents people from all over the country. Thus, results of the research carried out in this area can have implications at the national level.

5. Hypothesis

The hypothesis tested based on the primary data collected from the respondents is

H0 = There is no significant difference in the preference for personalisedbanking services by the bank customers residing in urban and rural areas.

6. Methodology

The study is empirical in nature as data is collected from primary sources. For this purpose, structured questionnaires were distributed in 11 village panchayats and 6 urban areas of UT of Dadra and Nagar Haveli. Sample size of the study is 382 bank customers.

7. Data Analysis and Interpretation

The objective of the present study is to comprehend the choice for personalised services provided by the banksto their customers residing in different areas. a variety of statistical tools and techniques are used on data collected from respondents. In the present research paper, percent analysis and Independent Samples T-Test are used for analysis and interpretation of data with the help of SPSS software.

7.1 Demographic Variable: Residential Area

The data is collected from a total of 382 respondents, out of which 69 percent residing in rural areas whereas resident of urban area constitutes 31 percent of total sample size. The analysis of the data shows that the number of rural residents is more than that of the urban residents.

7.2 Selection of Personalised Servicesin different residential groups

The research study reveals that urban residents have more choice of personalised services as compare to rural residents. Out of total urban residents 60 percent prefer personalised services. This percentage is 41 percent in case of rural residents who opt for personalised services which is less that 50 percent. This may be due to less awareness of personalised services among rural population. Table No. 1 presents the above statstics.

Table No. 1 Preference of Personalised Services in Different Residential Areas

(Figures are in percent)

Residential Area (in years)	Yes	No	Total
Urban	60	40	100
Rural	41	59	100

Source: Primary Data

To identify withthe probable differences existing in the preference of personalised service of banks byurban and rural bank customers, collected data was investigated through testing the hypothesis. Statistical technique Independent Samples T-Test is applied on the collected data,results into Table No. 2 and 3.

Table No. 2 : Mean Value Analysis- Residential Area

Area	N	Mean	Std. Deviation	Std. Error Mean
Urban	117	1.40	.492	.046
Rural	265	1.59	.492	.030

Mean value of rural bank customers is 1.59, which is higher than mean value of urban bank customers at 1.40 as revealed by Table no.2. This shows that bank customers dwelling in rural areas have desire for more personalised services as compare to their urban counterparts.

Table No. 3 : Residential Area – Independent Samples T-Test

Personalised Banking Services	Levene's Test for Equality of Variances		T-test for Equality of Means				
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Equal variances assumed	.047	.829	-3.490	380	.001	-.191	.055
Equal variances not assumed			-3.490	222.0	.001	-.191	.055

As per above table, sign. value is 0.001(2-tailed) which is less than 0.05 (at 95 percent confidence interval). It signifies that there exists significant difference in preference of personalised services of banks by bank customers or urban and rural areas. Thus, H0is rejected.

8. Suggestions

The results of the study reveal that, in rural areas, preference for personalised banking services is very less. It can be increased by creating awareness among the rural people. When they will be well informed about availability of personalised services, only then they can availthe benefit of these services. Ignorant customers cannot demand personalised services because they have no knowledge about theiravailability. Creating well informed environment in rural areas is an urgent requirement which the banks should work towards. For this purpose, organizing outreach camps in rural areas can be helpful. Information should be provided in native language of rural residents for more understanding and better retention. Financial consultancy services should be provided as part of personalised services, so as to help the rural people in managing their financesin a better manner. Helping rural people in managing their finance,on an individual basis, will help them in

investing their funds wisely and securing their and their family's future. It will help them to grow which will ultimately help the economy to grow.

9. Conclusion

The outcome of the research shows that highlightingthe need for personalised services will help bank customers in managing their finances better. It will safeguard their future and will help them to lead a prosperous life. Also, it will bring more business for the banks and help in development of the banking sector.

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MICROFINANCE IN INDIA

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ABSTRACT :

Since its birth in 1970s microfinance has been growing rapidly with the aim to lift people out of poverty and promote economic growth. Microfinance is the provision that provides access to various financial services such as credit, savings, micro insurance to low income clients who traditionally lack access to banking and related services. It also covers wide rural areas to satisfy their financial need and helps them for financial stability. It's maximum contribution for small scale industries and women empowerment.

Keywords: *Funding for start-up microfinance, self employed, Microfinance institutions, milestones in SHGs, Benefits, limitations, recommendations*

Objective:

The objective of this paper is to know about the Micro Finance In India, which covers meaning, origin of microfinance, top microfinance institutions, policies along with benefits and limitations of microfinance in India and it also suggests for recommendations of microfinance in India.

Introduction:

Microfinance is playing very important role in the economic development. It includes offer of finance and other financial services in a micro scale. India is a country of villages, poor people and small size savers. In such area microfinance gets more importance to develop such people. Now a days microfinance institutions are getting more importance due to microfinance in all over the country, along with this it is developing the economic condition of the poor people and empowering women in the country.

Meaning:

Microfinance is the provision of financial services to low income clients including consumers and the self employed who traditionally lack access to banking and related services.

Microfinance is a type of banking service provided to unemployed or low income individuals and groups who otherwise would have no other access to financial services.

Origin of the Concept:

In India the beginning of microfinance movement could be traced to Self Help Group (SHG) Bank Linkage Program started as a pilot project in 1992 by NABARD. This program proved to be very successful and has also developed the most popular model of microfinance in India. RBI regulates the microfinance institutions in India with the help of NABARD.

Micro finance includes the following features:-

1. Borrowers are from the low groups.
2. Small amount of loans
3. Duration is short period
4. High frequency of repayment
5. Small are covered.

Objectives of microfinance:

Microfinance is gaining popularity in the recent years and now considered as effective tools for alleviating poverty. The major objectives of microfinance are providing the poor with access to financial services as well as an opportunity for them to build their financial capacity and ability to grow to financial self-sufficiency.

The primary goals of microfinance are as follows

- Provides access to funds.
- Helps in the provision of resources that offer support to the lower sections of the society.
- Encourage entrepreneurship and self sufficiency.
- Empower women in rural and semi-urban areas.
- Evaluate the options available to eradicate poverty at a faster rate.
- Mobilize self-employment opportunities for the underprivileged.

Microfinance Institutions (MFIs)

Microfinance institutions (MFIs) are financial companies that provide small loans to people who do not have any access to banking facilities. In India, all loans that are below Rs.1 lakh can be considered as microloans.

Sources of MFIs:

Microfinance Institutions get funding from several sources, such as:

- Members and customers deposits:

MFIs collect finance from members and customers. This is applicable to MFIs that are organized as mutual funds, cooperatives, and microfinance banks offering savings products.

- Subsidies and grants:–

Grants and subsidies are more prominent when the MFI is just being set up and also help to initiate the tasks of IMFs.

- Own capital :–

The microfinance institution's own finance/capital accounts for a part of the funding extended to borrowers.

- Loans from partner banks: –

Microfinance Institutions collect loan from their partner banks also. This is the primary source of funding for an MFI.

- Funds received from public investors: –

MFIs collect funds from public investors. This is a source of long-term funding for the MFI.

- Funding received from private investors: –

These funds are supplied directly to the MFI or through investment funds that specialize in microfinance. This is also a source of long-term funding for the MFI.

Top 10 Microfinance Companies in India

A) Equitas Small Finance

B) ESAF Microfinance and Investments (P) Ltd

C) Fusion Microfinance Pvt. Ltd

D) Annapurna Microfinance Pvt. Ltd

E) Arohan Financial Services Limited

F) BSS Microfinance Limited

G) Asirvad Microfinance Limited

H) Cashpor Micro Credit

I) Bandhan Financial Services Limited.

J) Fincare Business Services Limited.

Groups Organized by Microfinance Institutions in India

There are several types of groups organized by microfinance institutions for offering credit, insurance, and financial training to the rural population in India:

1. Joint Liability Group (JLG)

This is usually an informal group that consists of 4-10 individuals who seek loans against mutual guarantee. The loans are usually taken for agricultural purposes or associated activities. Farmers, rural workers, and tenants fall into this category of borrowers. Each individual in a JLG is equally responsible for the loan repayment in a timely manner. This institution does not need any financial administration, as it is simple in nature.

2. Self Help Group (SHG)

A Self Help Group is a group of individuals with similar socio-economic backgrounds. These small entrepreneurs come together for a short duration and create a common fund for their business needs. These groups are classified as non-profit organizations. The group takes care of the debt recovery. There is no requirement of collateral in this kind of group lending. The interest rates are generally low as well. Several banks have had tie-ups with SHGs with a vision to improve financial inclusion in the rural parts of the country.

The NABARD SHG linkage programme is noteworthy in this regard, as several Self Help Groups are able to borrow money from banks if they are able to present a track record of diligent repayments.

3. Grameen Model Bank

The Grameen Model was the brainchild of Nobel Laureate Prof. Muhammad Yunus in Bangladesh in the 1970s. It has inspired the creation of Regional Rural Banks (RRBs) in India. The primary motive of this system is the end-to-end development of the rural economy. However, in India, SHGs have been more successful as MFIs when compared to Grameen Banks.

4. Rural Cooperatives

Rural Cooperatives were established in India at the time of Indian independence. The resources of poor people were pooled in and financial services were provided from this fund. However, this system had complex monitoring structures and was beneficial only to the creditworthy borrowers in rural India. Hence, this system did not find the success that it sought initially.

Important Milestones in the journey of SHG:-

The important milestones in the journey so far of the SHG Bank Linkage movement spearheaded by NABARD with the support of Reserve Bank of India and the G.O.I. are as follows:

- 1987: NABARD takes the lead in partnering with NGOs, particularly MYRADA, to pilot the SHG Bank linkage model due to poor performance of formal institutions in providing finance to the rural areas.

- 1991: RBI advised all scheduled Banks about NABARD's proposed pilot and sought active participation from the Banks.
- 1992: NABARD launches the SHG Bank Linkage Programme initially to cover 500 SHGs which was an innovation for harnessing the flexibility of the Informal system with the strength and affordability of the Formal system
- 1996: Financing to SHGs was mainstreamed into the normal operations of the Banks by the Reserve Bank of India in April 1996.
- 1998: In the Union Budget of 1998-99, Government announced that NABARD would endeavor to ensure credit linkage of 2 lakhs SHGs in a period of 5 years.
- 1999: Swarna Gram Swarojgar Yojana (SGSY), an amalgamation of government programmes like Integrated Rural Development Program(IRDP) and allied schemes like Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Million Wells Scheme (MWS), Supply of Improved Toolkits to Rural Artisans (SITRA) & Ganga Kalyan Yojna (GKY), was launched as a holistic programme to eradicate poverty by using the vehicle of SHGs for purveying microcredit for all rural poor especially the BPL families.
- 2000: A dedicated Fund viz. Micro Finance Development Fund was created in NABARD with a sizeable corpus of R100 Crores for various initiatives and interventions for the ascent of SHGBLP movement
- 2006: RBI issues guidelines for Branchless banking initiative in the rural areas through use of Business Correspondents and Business Facilitators.
- 2008: NABARD establishes NABFINS, a subsidiary of NABARD to provide financial services in two broad areas of Agriculture and Microfinance. Based on the recommendations of the "Committee on Financial Inclusion" two Funds, namely the "Financial Inclusion Fund (FIF)" for meeting the cost of developmental and promotional interventions for ensuring financial inclusion and the "Financial Inclusion Technology Fund (FITF)", to meet the cost of technology adoption were set up at NABARD with an overall corpus of R500 crores each.
- 2012: The SHG-Bank Linkage Programme was given a renewed thrust with the launch of SHG-2. The focus of SHG-2 would be on voluntary savings, cash credit as a preferred mode of lending, scope for graduation by SHG members to JLGs, avenues to meet higher credit requirements for livelihood creation, SHG Federation as non-financial intermediary, rating and audit of SHGs as part of risk mitigation system and strengthening monitoring mechanisms. 14 "SHGs, saving for the present, securing the future"

- 2012: Women SHG programme (WSHG) for intensifying SHGs in the 150 Left Wing Extremism affected and backward districts of India implemented by NABARD in association with the Department of Financial Services, Ministry of Finance, G.O.I.
- 2015: The SHG BLP Strategic Advisory Board was constituted in NABARD with various stakeholders as well as representatives of DFS, NRLM, RBI, Bankers and Domain Experts to focus on strategic action plan on SHG BLP, digitization, livelihood promotion and a proper eco system to facilitate greater credit flow to the SHGs.
- 2015: Eshakti Pilot Project initiated by NABARD for digitisation of SHG records to bring transparency and accuracy in SHG's transactions in Ramgarh and Dhule districts of Jharkhand and Maharashtra respectively.
- 2016: EShakti pilot project extended to additional 23 districts in India.
- 2017: EShakti pilot project extended to 75 more districts thus covering 100 districts. The project has a dedicated website https://eshakti.nabard.org in which all the information of all SHGs is uploaded through apps.
- he Micro Units Development & Refinance Agency Ltd (MUDRA), NBFC set up by the Government of India (G.O.I.) in 2015 with its total focus on microenterprise, has to hand-hold and facilitate the development process of smaller MFIs and not for profit MFIs as they are the ones who operate in remote locations and with the underserved populations
- RBI's guidelines in 2017 on Peer to Peer (P2P) lending opens up a window for some MFIs with technology wherewithal to transform themselves into P2P players for the microfinance segment.

Advantages of Microfinance

The part that microfinance plays in economic development is noteworthy. Some of the key benefits of MFIs include the following

- **Financial stability:** Microfinance helps to maintain financial stability among rural people by providing financial assistance to them. With the help of this finance people may start their own business or undertake any activities which help them to lead their own life.
- **Removal of Poverty:** Rural people undertake certain activities to lead their life by getting loans from institutions of microfinance, which helps to remove the poverty of the country. IMF provides finance to those who are unable to get service from banks.
- Improvement of their present opportunities

The income accumulation of poor households has improved due to the presence of microfinance institutions that offer funds for execution of their works and opportunities. They can also adopt innovative ideas in their work.

- Easy access of credit –

Microfinance opportunities provide people credit facility when they are in need. Banks do not usually offer small loans to customers but MFIs provide microloans to people to bridge this gap.

- It provides finance for other than basic needs:

Microfinance makes more money available to the poor sections of the economy. So, apart from financing the basic needs of these families, MFIs also provide them with credit for constructing better houses, improving their healthcare facilities, and exploring better business opportunities.

- It serves the under-financed section of the society –

Majority of the microfinance loans provided by MFIs are offered to women. Unemployed people and those with disabilities are also beneficiaries of microfinance. These financing options help people to control of their lives through the betterment of their life.

- Generation of employment opportunities –

Microfinance institutions help create jobs in the impoverished communities by providing short term finance. With the help of this people can undertake economic activity to lead their livelihood.

- It creates the habit of saving –

When the basic needs of people are met, they are more inclined to start saving for the future. It is good for people living in backward areas to inculcate the habit of saving by accepting small size of amount.

- It brings about significant economic gains –

When people participate in microfinance activities, they are more likely to receive better levels of consumption and improved nutrition. This eventually leads to the growth of the community in terms of economic value. Due to sufficient finance they can also fulfill their other economic needs without any hurdles.

- Better credit management practices –

Microloans are mostly taken by women borrowers. Statistics prove that female borrowers are less likely to default on loans. Apart from providing empowerment, microloans also have better repayment rates as women pose lesser risk to borrowers. This improves the credit management practices of the community.

- Education: –

It has been noted that families benefiting from microloans are more likely to provide better and continued education for their children. Improvement in the family finance implies that children may not be pulled out of school for monetary reasons.

- It leads to better loan repayment rates.

Microfinance tends to target women borrowers, who are statistically less likely to default on their loans than men. So these loans help to empower women and they are often safer investments for those loaning the funds.

Disadvantages of Microfinance

Micro finance institutions are established to overcome some of the challenges of micro and small business enterprises who cannot open bank accounts with commercial banks because they cannot provide any collateral, because the cash involved is too low .

- **Low volume of money:** Microfinance includes short term finance which is not useful to undertake large quantum activities. It is also not useful to attract large size organization and to cover wide area.
- **Risk of nonpayment:** Microfinance Institutions provide finance to rural people who are unable to repay the loan in time due to certain problems like low trading , low rate of return on investment ect.
- **Bad debts are quite high:** Microfinance faces the problem of nonpayment which leads to bad debts. Bad debt is a credit review borrower from a pure lender who may be a formal or informal financial institution against on borrower's promises to make future payments. The accounts of such customers are called bad debts and are at expenses of selling on credit.
- **Less area covered:** It covers the less area due to less finance. It has it's scope in the rural and semi urban areas so it is unable to satisfy the needs of large scale industries.
- **Financial Illiteracy:** One of the major hindrances in the growth of the microfinance sector is the financial illiteracy of the people. This makes it difficult in creating awareness of microfinance clients. Due to financial illiteracy people unable to make efficient financial transaction with the MFIs.
- **Inability to generate sufficient fund:** Inability of MFIs to raise sufficient fund remains one of the important concern in the microfinance sector. Though NBFCs are able to rise to funds through private equity investments because of the profit motive, such MFIs are restricted from taking public deposits.

- **Dropouts and migration of members:** It is a major problem of microfinance institutions which affect on the work efficiency of the institutions and it is one of the biggest barrier to develop microfinance sector.
- **Transparent pricing:** Though the concern about the transparent pricing in the microfinance sector has been an older one, it is gaining significance with the growing size and the increasing competition in the sector. Non- transparent pricing by MFIs confines the bargaining power of the borrowers and their ability to compare different loan products because they do not know the actual price. In the absence of the proper understanding of the pricing clients end up borrowing more than their ability to payback which results in over indebtedness of the borrower.

Recommendations

1. Proper Regulation: Regulation of the sector of microfinance helps to make control over the inefficiency of financial institutions. Proper regulation also helps to satisfy the needs of the customer whatever they need
2. Field supervision: In addition to proper regulation of microfinance sector, field visits can be adopted as a medium for monitoring the conditions on ground and initiating corrective action if needed. This will keep a check on the performance of ground staff of various MFIs and their recovery practices It improves the efficiency of the work.
3. Encourage rural penetration: Due to less initial cost MFIs are opening their branches in different areas which encourage microfinance penetration by providing financial assistance to rural people.
4. Complete range of products: MFIs should provide complete range of products including credit, savings, remittance, financial advice and also non financial services like training and support. As MFIs are acting as a substitute to banks in areas where people do not have access to banks, providing a complete range of products will enable the poor to avail all services.
5. Transparency of interest rates: As it has been observed that, MFIs are employing different patterns of charging interest rates and a few are also charging additional charges and interest free deposits. All this make the pricing very confusing and hence the borrower feels incompetent in terms of bargaining power. So a common practice for charging interest should be followed to make the sector competitive.
6. Technology to reduce operating cost: MFIs should use new technology and IT tools and applications to reduce their operating costs. Innovative technologies help for better performance and improvement in the efficiency in the work.

7. Alternative sources of fund: In absence of adequate funds the growth of MFIs becomes restricted and to overcome this problem MFIs should look for other sources for funding their loan portfolio.

Conclusion:

Microfinance can contribute to solving the problem of inadequate housing and urban services as an integral part of poverty alleviation programs. It would be ideal to enhance the creditworthiness of the poor and to make them more bankable.

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BANKING

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ABSTRACT :

Banking is the life of blood of trade, commerce and industry. In Today's generation banking sector acts as the backbone of modern business and finance. Development of any country depends on the banking system. A bank is financial institution which deals with deposits and advances and other related services. It receives money from people those who wants to save in the form of deposits and it lends money to those people who need it.

The banking is most important and essential part of human life. In current faster lifestyle peoples may not to do proper transitions without developing the proper bank network. The banking system in India is dominated by nationalized banks. Performance evaluation of the banking sector is an effective measure and indicator to check the soundness of economic activities of an economy. Evaluating Indian banking sector performance is not an easy task. There are multiple factors to be considered, while differentiating good banks from bad ones.

Key words: *Banking, Services, Indian economy, objectives.*

Introduction:

Banking Regulation act of India, 1949 defines banking as "accepting for the purpose of lending or of investment of deposits of money from the public. Repayable on demand or otherwise or withdraw by cheque, draft order or otherwise. "The reserve bank of India act, 1934 and the banking regulation act, 1949 governs the banking operation in India.

According to Reserve Bank of India (RBI), India's banking sector is adequately capitalised and well-regulated. The financial and economic conditions in the country are faraway advanced to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally flexible and have withstood the global downturn well.

Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry.

The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level 5 in the Faster Payments Innovation Index (FPII).

Meaning:

Bank is a financial institution licensed to receive deposits and make loans. Banks may also provide financial services, such as wealth management, currency exchange, and safe deposit boxes. There are two types of banks, commercial/retail banks and investments banks. In most countries, banks are regulated by the national government or central bank.

Objectives:

- To know the exact meaning of bank.
- To know the services of bank.
- To know the impact of bank on Indian economy.
- To know the changes in banking sector.

Banking Services:

- Banking covers many services, these basis services have always been recognized as the hallmark of the genuine banker. These are....
- The receipt of customer deposits
- The collection of cheque drawn on other banks
- The payment of the customers cheques drawn on himself
- There are other various types of banking services like:
- Advances- Overdraft, Cash Credit etc.
- Deposits- Saving Account, Current Account etc.
- Financial services- Bill discounting etc.
- Foreign Services- Providing foreign currency, travellers cheques etc.
- Money Transmission- Funds transfer etc.
- Savings- Fixed deposits etc.
- Services of place or time- ATM services.
- Status- Debit Cards, Credit Cards etc.

Recent innovations in banking sector:

Block chain:

Block chain is the lesser known shared database technology behind the popular digital currency Bit coin. In a nutshell, block chain works by using a network of computers, all of which must approve a transaction in a chain of computer code. Details of the transfer are then recorded on a public ledger for anyone on the network

to see. It has huge potential for banking, where it could be used to improve the security of financial transactions, decentralise services and improve speed to market for new products.

Robo advisors:

How long until customers expect all their financial advice to come not from their account manager, but a robo advisor? Although they won't invite you to step into their office for a cup of tea, robo advisors are quick, efficient and cheap - and automated investment services are on the rise globally. Bank of America Merrill Lynch estimates that the robots and Artificial Intelligence (AI) solutions will be worth up to $153 billion by 2020.

In the finance sector, robo advisors are already on the market that can handle virtually every aspect of investing. From organising a customer's debt, tax affairs and financial planning to tailoring investment portfolios, robo advisors are making finance management easier and more accessible.

Robo advisors are also catering to a gap in the market – traditionally, expert financial advice has only been made available to the wealthy. Robo advisors can help small investors without the steep cost of face-to-face advice.

Open APIs:

The finance sector has finally woken up to the old adage “if you can't beat them, join them”. Fintech firms and app developers have been taking chunks out of traditional banking revenues for years now, and as customers continue to expect quicker and more convenient access to their funds and financial resources, what better way to do that than for banks and start-ups to join forces?

Open API models enable trusted partners to build new customer interface layers and innovate new and exciting products and services on top of a financial service provider platform.

Big data analytics:

Banks generate and store a lot of data. In fact, they do so more than any other type of business. But while the retail space has embraced big data analytics in a big way – Amazon, eBay and alike have been tracking consumer behaviour and targeting them with new products accordingly for years now - banks still understand how the information they capture in the normal course of business can help transform their processes and organisations.

Big data analytics is all about exploring the value of data – and from risk and regulatory data management to compliance, banks are doing just that. Customers expect a more personalised service from their banks, and big data analytics is also helping banks to tailor products to the individual needs of their customers.

The problem for banks, however, is accessing that data, which very often is found in large disparate systems. Investment is growing fast in big data solutions – with global spending on big data technology expected to surpass $46 billion by the end of 2016, according to Research and Markets.

Peer-to-peer lending:

It is fair to say peer-to-peer (P2P) lending isn't the traditional banking sector's favourite innovation. P2P lending directly connects borrowers – including individuals and businesses - to lenders. Using the latest technology, these platforms are popular for their speed and convenience, as well as the fact they often bypass regulation and can therefore offer better rates of interests.

P2P cuts out the middlemen: banks and other financial intermediaries. At the same time, however, it can also expose users to greater risk – by lending directly, savers do not get the same protection as putting their money into a bank account.

So despite the rise pf P2P platforms in the global market over the last few years, banks will be pleased to know it won't pose a major threat to their industry just yet. According to a report from Deloitte earlier in the year, P2P lenders will only account for 6% of the lending market by 2025

Recent digital technology Trends:

Using Data and AI for Personalization at Scale:

When it comes to personalization, consumers are pretty clear what they want. They want recommendations that they wouldn’t have thought of themselves, and a clear direction about what they should buy when they are shopping for a product or service. In other words, financial institutions should show consumers that they have been listening and learning from their activities.People also want their banking providers to know them, look out for them, and reward them no matter what channel they use or what time of the day or night it is. This includes letting them know their overall financial status — on demand. Finally, banks and credit unions must continuously show the value they provide for the insight consumers let them collect.

Voice-First Banking:

A major part of the voice-first paradigm is a modern “intelligent agent” (also known as “intelligent assistant”). Over time, all of us will have many, perhaps dozens, of these agents interacting with each other and acting on our behalf. These agents will be the “ghost in the machine” in voice-first devices. They will be dispatched independently of the fundamental software and form a secondary layer that can fluidly connect between a spectrum of services and systems.

Most financial organizations will move from basic dialogue and account inquiries to doing transactions using voice commands. This can include being able to execute payments using voice commands, as well as doing account transfers and establishing

account alerts using voice commands. Many believe that in the next five years, 50% of all banking interactions will be via voice-first devices.

Open Banking:

While the largest tech firms — Google, Apple, Face book, Amazon (GAFA) — are leading the charge towards implementing open API platforms, the model they use may not be the one most banking organizations should follow. Not only do most financial institutions lack the technical expertise or the financial wherewithal to implement these models and support a vast developer community, the ability to acquire new customers to replicate their success is unlikely.

Digital-Only Banks:

Creating a digital-only banking proposition involves aligning new technologies and solutions with the legacy bank's existing design, brand value and business model. There must be the involvement of leaders who are tech-savvy, building technology with customer-centric approach. Financial institutions can also leverage the technical capabilities of fintech start-ups to assist in the development of digital-only banks.

Having a digital-only proposition may become increasingly important as more non-traditional banking choices are available to consumers today, enticing them to switch banks for better customized services and value propositions. According to an Accenture report, "banking consumers in North America want it all — deals and discounts, convenience, relevance and banking customer experiences that combine the latest in digital banking with human interaction. Consumers will share personal data to get what they want and switch banks if they do not."

Cyber security:

There is no doubt that the increased use of technology and digital channels have made the banking industry more susceptible to cyber-attacks and have forced banks and credit unions to be in the unenviable position of playing 'catch up'. New open banking regulations that require banks to share customer information with third-party providers make the industry even more vulnerable.

Now more than ever, banks must become proactive in their handling of data protection and managing cyber security risks. Unfortunately, consumers want the best of both worlds — ease of use and increased protection of data and identity. This will require the banking industry to implement multi-factor authentication, secure applications, digital signatures, and other forms of security such as biometrics.

Digital Services provided by banking sectors:

- Allied SMS service
- Biometric ATM service
- Branch POS facility

- Customer awareness messages
- E-shopping
- E-statement of account
- Electronic fund transfer
- Transaction alert facilities
- Mobile banking services

Some changes in the Union Budget 2019:

In the union budget 2019 finance minister NIRMALA SITHARAMAN announced an Rs.70000 CRORE capital; infusion into public sector banks in an effort to boost credit.

She announced that there has been a record recovery of 4 lakh crore of bad loans through IBC in the last 4 years, and that provision coverage has been the highest in the last 7 years.

She also pointed out the smooth consolidation of public sector banks under Modi government, which she said should get credit for bringing a significant number of banks out of the prompt corrective action (PCA) framework.

There was an announcement for bank account holders too, with Sitharaman saying that customers may get control over cash deposited by other into their accounts. Modi government capitalised state-run lenders with Rs. 16 lakh crore in 2018-19, the highest ever so far. The move helped five banks come out of the PCA frame work.

Impact of Banking on Indian Economy:

The banking sector is the section of the economy devoted to the holding of financial assets for others, investing those financial assets as leverage to create more wealth and the regulation of those activities by government agencies.

Holding of Financial Assets:

This is the core of all banking, and where it began—though it has expanded far beyond the days of holding gold coins for Holy Land pilgrims in exchange for promissory notes. A bank holds assets for its clients, with a promise the money may be withdrawn if the individual or business needs said assets back. Avoiding devastating bank runs that could destroy the sector as a whole is why banks are required to maintain at least 8% of their book values as actual money.

Using Assets as Leverage:

Traditionally, banks leverage the money in their vaults as loans, earning money from the interest rates charged on those loans. The great contradiction of banking is that

almost all of a bank's actual money is nowhere near its vaults; meaning that its true value is only paper, yet that paper value is what grows the economy. The banking sector has always attempted to diversify its risks by investing as widely as possible; this prevents an unexpected loan default from sinking the entire bank. However, this can cause other problems.

Regulation of Banking Activities:

Because banks are the underpinning of a modern economy, governments naturally have laws in place to prevent banks from engaging in dangerous activity that threatens the economy.

These laws are often enacted after hard financial lessons, such as the creation of the Federal Deposit Insurance Corporation (FDIC) in 1933 after the bank panics of the previous 50 years. However, such laws are campaigned against by banks and are sometimes removed, and this has led to history repeating itself.

The financial crisis of 2008 was created, in part, by several U.S. banks over-investing in subprime mortgages. Prior to 2000, there were laws that limited the amount of subprime mortgages available, but deregulation efforts removed this limitation and permitted the crisis to happen. It was not the only cause, but it was the tipping point that destroyed worldwide trust in the banking sector.

The banking sector's core is trust. Without it, no one would deposit money, and it would be unable to use that money to give loans, invest and drive economic growth, and regulation is used to create that trust.

Popular Companies in the Banking Sector:

Wells Fargo (WFC) is one of the largest U.S. financial services and bank holding company by market capitalization. It operates in more than 30 countries worldwide and is one of the 100 largest companies in the United States. The company provides consumer and commercial financing, as well as banking, insurance, and investment services.

JP Morgan Chase (JPM), like Wells Fargo, is a true American banking institution and one of the largest investment banks in the world. In addition to regular consumer and commercial banking, JP Morgan offers a wide variety of investment banking services, including raising capital in debt and equity markets, advising on corporate strategies, market making in derivatives, and brokerage and investment research services.

HSBC Holdings (HSBC), headquartered in the United Kingdom, is a global banking and financial services firm that particularly appeals to income investors. The company is segmented into four divisions through which it offers a wide range of

consumer and commercial banking services—retail banking and wealth management, global banking and markets, commercial banking, and private banking.

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Conclusion:

Banking sector in Indian has given positive and encouraging responses to the financial sector reforms. Entry of new private banks and shaken up Public sector banks to competition. The financial sector reforms have brought India financial system closer to global standards. With the India increasingly getting integrated with the global financial world, the Indian banking sector has a still long way to go to catch up with their counter parts. Banking systems have been with us for as long as people have been using money. Banks and other financial institutions provide security for individuals, businesses and governments, alike. Let's recap what has been learned with this tutorial: In general, what banks do is pretty easy to figure out. For the average person banks accept deposits, make loans, provide a safe place for money and valuables, and act as payment agents between merchants and banks. Banks are quite important to the economy and are involved in such economic activities as issuing money, settling payments, credit intermediation, maturity transformation and money creation in the form of fractional reserve banking.

Reference:

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EQUITY CROWD FUNDING: FOCUS ON ITALY'S FRAMEWORK

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ABSTRACT :

The aim of this paper is to analyse the characteristics and evolution of a form of financing for small businesses that has been spreading with high growth rates in recent years. The phenomenon of equitycrowdfunding allows small businesses and start-ups to acquire equity through a network of investors interested in financing these companies and receiving adequate remuneration. The research carried out allows us to verify how the diffusion of this new tool can contribute to solving, at least in part, the problem of financial constraints – with particular reference to the equity gap – that has always affected SMEs. The analysis has focused on the Italian framework, comparing it with other European countries and reporting some case studies of companies that have relied on crowdfunding platforms to obtain equity.

Keywords : crowdfunding, equity crowdfunding, equity gap, SMEs, financial constraints.

1. Introduction

Small and medium enterprises[1] (SMEs) play a key role in the economic and social growth of any country. They employ a high number of people and they are often seen as the engine of development and innovation.

SMEsoffered a significantcontribution to theeconomicrecovery and subsequentexpansion of the European Union (EU). In Italy, theyaccount for over 99% of the total and contribute to the employement of over 78% of the workforce (Table 1).Between 2008 and 2017, thenumber of SMEs in the EUincreased byaround 14%, the valueaddedgrew by 14.3% and employement by 2.5%. These data testify to the economicrecovery of small and mediumfirmsfollowing the crisis of previousyears.In particular, start-upshavebenefited from the economicrecovery, with

[1] According to the Commission Recommendation of 6 May 2003, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.

specificreference to companies thathavefocused on innovative products.In fact, between 2014 and 2016, the number of companies with high growthratesincreased by 24%.

Table 1. SMEs in Italy e in the European Union[2]

Class size	Number of enterprises			Number of employed			Value added		
	Italy		EU	Italy		EU	Italy		EU
	Number	Share	Share	Number	Share	Share	Billion	Share	Share
Micro	3.565.046	95.1%	93.1%	6.661.193	45.9%	29.4%	201.2	28.6%	20.7%
Small	162.598	4.3%	5.8%	2.921.184	20.1%	20.0%	144.9	20.6%	17.8%
Medium	18.465	0.5%	0.9%	1.808.802	12.5%	17.0%	125.3	17.8%	18.3%
SMEs	**3.746.109**	**99.9%**	**99.8%**	**11.391.179**	**78.5%**	**66.4%**	**471.5**	**67.1%**	**56.8%**
Large	3.221	0,1%	0,2%	3.125.454	21.5%	33.6%	231.7%	32.9%	43.2%
Total	***3.749.330***	***100.0%***	***100.0%***	***14.516.633***	***100.0%***	***100.0%***	***703.1***	***100.0%***	***100.0%***

Source: *Scheda informativa SBA*, 2018, EuropeanCommission.

Despite the importance taken on by SMEs in the economic system of each country, they have always been subject to significant financial constraints that have been amplified during the crisis of recent years. The lack of liquidity (Allen *et al*, 2007 e 2008)caused by the crisis in the global banking system and the deterioration of the bank-firm relationship (Signorini, 2012), have added to the already deep-rooted problems, typical of small businesses.

In fact, the equity gap and the resulting low level of capitalization have always affected European SMEs, especially the Italian ones. The simultaneous presence of difficulty in accessing credit (credit crunch) and difficulty in acquiring equity and internal resourcesraises the need to search for alternative ways of financing small firms.

The phenomenon of crowdfunding is a new and important opportunity for the growth of small business and allows entrepreneurs to reach a large number of people – and so a large number of potential investors –, and to obtain the resources to finance investments.In particular, reference will be made to the concept of equity crowdfunding, that can be defined as "[…] a method of financing whereby an entrepreneur sells a specified amount of equity – or bond – like shares in a company to a group of (small) investors through an open call for funding on Internet-based platforms" (Ahlers*et al*. 2015).

[2] Estimates for 2017 produced by DIW Econ , based on 2008-2015 figures from the Structural Business Statistics Database (Eurostat). The data cover the "non-financial business economy", wichincludesindustry, construction, trade, and serveces.

In the last few years this new financing channel has been the protagonist of rapid growth in all developed countries. Therefore, it is interesting to investigate the reasons for this success, its size and the role that it is destined to assume in the financial structure of companies. The following analysis will be carried out with reference to Italy, and subsequently a comparison will be made with those countries in which the phenomenon is already consolidated.

The research work is organized as follows. Section 2 identifies the determinants of financial constraints of SMEs and in particular the causes behind the equity gap; section 3 focuses on the characteristics of equity crowdfunding and its evolution over the past few years, with special reference to the Italian market; paragraph 4 presents three case studies of Italian small firms that have resorted to equity crowdfunding to finance their business; section 5 illustrates the main conclusions and outlines the issues for further discussion.

2. Financial constraints and equity gap

The literature recognizes and shares almost unanimously the presence of a significant relationship between the small size of the firm and difficulties in accessing financing channels(Ayyagari*et al*., 2006; Beck *et al.* 2005; Beck andDemirgüç-Kunt, 2006; Berger *et al.* 1998; Bertoni, 1994; Bini, 1996). The financial constraints of SMEs can mainly be traced to the general phenomenon of the financial gap: small firms can't get all the financial resources they would need because of market imperfections and the presence of information asymmetries (Stiglitz and Weiss, 1981).

The issue of information asymmetries and the resulting costs are at the heart of the pecking order theory (Myers, 1984), which argued that small firms prefer financing their investments primarily through internal funds; if internal funds are insufficient, firms choose to resort to bank debts andonlymarginally resort to equity.

The bank-firm relationship[3] has always been affected by the problem of information asymmetry as well. Banks are interested in firm creditworthiness and they avoid lending to opaque companies without track records, high-quality collaterals and stable cash flows and revenues: such behaviour especially penalizes small firms and innovative small firms in the start-up and early growth phases of their life cycle. It

[3] According to the prevalingliterature, the bank-firmrelationship can be traced back to twooperatingmodels: the *transactionlending*, thatprivilegecontractualaspects of the financialtransaciont, giving rise to "standardised" financialrelationshipsbased on hard informations; *relationshiplending*, in which the personal elementprevails over the contractualone and loans are granted on the basis of soft infrmations. The bank-small firmsrelationshipisoftenbased on the relationshiplendingapproach.

follows that a high number of profitable investment projects may not be financed or may not obtain funding at a reasonable cost(Berger e Udell, 2002).

The main limit associated with the financial management of SMEs is certainly the equity gap, which can be defined as the chronic lack of sources acquired with the full risk constraint bay small companies.

Surveys on the topic have been carried out along three main lines, all analysed both in terms of quality and in quantitative terms: verification of the contribution of risk capital in companies, placing this variable in relation to the phases of the life cycle and proceeding with cross-country studies; analysis of the offer, evaluating problems and needs of operators in the sector; estimating the prospective risk capital needs expressed by companies and in particular by innovative companies (Gualandri and Schwizer, 2008).

There are several factors determining the equity gap: the corporate governance structure often associated with small business, based on a clear connection between ownership and control and entrepreneurs' fear of leaving, even in part, the helm of the organization by allowing other shareholders in; the objective difficulties encountered in accessing the direct financing channels, due to the lack of the essential requirements established for the listing on the stock exchange and the excessive related costs. With reference to the latter aspect, it is also necessary to underline the numerous empirical contributions that confirm the presence of a direct link between the degree of development and efficiency of the financial system – both nationally (Demirgüç-Kunt and Maksimovic, 1998), and in the local area (Rajan and Zingales, 1998) – and the growth of the entrepreneurial system.

The problem of the equity gap in small business – and especially in innovative small business – arises because of the presence of structural limits both on the side of the supply of capital, and on the demand side. Many financial systems reflect market failures that imply an incomplete and unqualified offer of financial instruments and services that meet the needs of SMEs. Furthermore, the absence of secondary markets in which to exchange shares for small business, creates a problem of investmentliquidity.

Concerning demand, small entrepreneurs have objective difficulties in processing and communicating structured information in favour of potential financiers; sometimes this feature is combined with the reluctance of the entrepreneur to provide useful elements for the evaluation of investment projects, because of the fear of losing their control of the business, as mentioned above. These behaviours highlight the formation of a cultural gap.

3. Equitycrowdfunding: features and evolution

The presence of stringent financial constraints and strong information asymmetries has led small businessesto seek alternative forms of financing other than traditional ones, such as venture capital or business angels, but often the requirements for gaining access to these resources are very selective, thus excluding most companies.

In this context, an innovative form of resource collection was devised and developed through the equity crowdfunding mechanism. It uses the already consolidated fundraising model for donations and charity campaigns, the ability of the Internet to reach a wide range of potential investors and combines remuneration for the investor commensurate with the risk of the business activity.

Equity crowdfunding represents an important opportunity to reach a large number of external equity investors, reducing information asymmetries and relying on the "wisdom of crowds": according to the wisdom-crowd paradigm, the crowd has on average a high capacity to correctly evaluate investment projects and is able to select the most profitable ones (Walthoff-Borm et al. 2018).In this light,equity crowdfundingis a tool that can help make the financial market more democratic, facilitating the entry of subjects who are generally excluded or poorly interested in financial investments.

Two main players can be identified in this model: the financers (the crowd) and the fundraiser, thus the figure of the bank as an intermediary is lost. The meeting between the two subjects takes place exclusively in an electronic way, by means of online platforms[4], outside the logic of credit intermediation.The evaluation of the investment project takes place through company's presentation of a detailed business plan.

The equity crowdfunding phenomenon has been protagonist of a rapid growth in recent years in many European countries.

Table 2. The volume of equity crowdfunding in some European Countries (millions Euro) and rates of growth

Country/Region[1]	2013	2014		2015		2016		2017	
	Vol.	Vol.	*Growth*	Vol.	*Growth*	Vol.	*Growth*	Vol.	*Growth*
United Kingdom	33	99	*200%*	291	*194%*	323	*11%*	395	*22%*
Germany	17,3	29,8	*72%*	23,7	*-20%*	47,4	*100%*	19,7	*-58%*
France	9,5	18,9	*99%*	75,1	*297%*	43,3	*-42%*	48,4	*12%*
Italy	n.a.	0,5	-	5,4	*980%*	1,7	*-69%*	4,8	*182%*
The Nordics	4	6	*50%*	13	*117%*	75	*477%*	86	*15%*
Benelux	n.a.	n.a.	-	8,3	-	15	*81%*	19	*27%*
Iberia	6,2	10,5	*69%*	5,3	*-50%*	10,1	*91%*	21,2	*110%*

[4] The ConsobRegulation n. 18592/2013 defines "[…] «portal»: the online platformthathas the exclusivepurpose of facilitating the raising of capital by bidders".

Source: processing of data from the Cambridge Center for Alternative Finance,https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/

Despite signs of a slowdown in some years and for some countries, the raising of capital through online platforms shows very high growth rates and the United Kingdom plays an absolute leading role in the equity crowdfunding market.

The updated data for Italy indicate a total collection of resources, from 2013 to 30 June 2019, for an amount equal to over 82 million euros, of which 49 million raised from June 2018 to June 2019 (in 2017 the amount of funds was 4,8 million, with a growth of over 900%). The strong growth of equity crowd funding is also demonstrated by other important figures: 35 authorized internet portals; 401 fundraising campaigns organized; 369 companies involved, of which 170 only from June 2018 to June 2019 (OsservatorioCrowdinvesting, 2019).

In Italy equitycrowdfunding is regulated by legislative decree 179/2012, converted into law 221/2012: the objective of this legislation was to encourage the collection of capital by innovative start-ups, facilitating their set up and their development. In 2017, having assessed the instrument's enormous growth potential, the possibility of resorting to equity crowdfunding has been extended to all SMEs.

Currently, the sector still reveals reduced dimensions compared to total assets managed in Italy, but the observation of the phenomenon and its dynamics allow us to foresee a strong expansion for the near future[5].

4. Case studies

As pointed out above, many small firms have been protagonists of the first phase of developing equity crowdfunding in Italy. This section presents the success stories of three companies that have collected equity through Internet platforms. The companies studied are all small Italian firms belonging to different economic sectors that have launched their fundraising campaigns through three different platforms among those authorized by the Consob.

The information reported for each company concerns: the mission; the internet platform used; the minimum level of capital to be collected; the capital raised; the number of investors; investment projects to be funded through acquired resources.

[5]This statement is also supported by the presence of significant tax relief provided for in the 2019 financial law for investments in start-ups and innovative SMEs.

Glass to Power

Firm	Innovative start-up, born from a spin-off of the University of Milano Bicocca
Head office	Rovereto, Trento (Italy)
Mission	Production of transparent photovoltaic panels that could be invisibly integrated into the architecture of modern buildings
Internet platform	Crowdfundme
Target	€ 500.000
Raised	€ 2.500.000
Number of investors	500
Use of proceeds	Purchase of patents; financing of a project for the construction of nano-particles; production of a plexiglass production line; enhancement of marketing

EpicuraMed

Firm	Small firm
Head office	Torino (Italy)
Mission	Digital health platform that allows to book health and social assistance services simply and quickly
Internet platform	Mamacrowd
Target	€ 450.000
Raised	€ 1.079.000
Number of investors	229
Use of proceeds	Product development; reinforcement of customer service; marketing

Azienda Agricola Montemonaco

Firm	Innovative start-up
Head office	Montemonaco, Ascoli Piceno (Italy)
Mission	Biological agriculture, harvesting and processing of legumes. Making pasta with legume flour
Internet platform	Nextequity
Target	€ 200.000
Raised	€ 600.000
Number of investors	25
Use of proceeds	Certification requests (ISO 22000; Kosher, Halal); participation in fairs and events; development and expansion of the product range; Research & Development

The most evident aspect that emerges from the information reported is the wide gap between the minimum goal of the fundraising campaign and the amount of capital actually collected. The company Glass to Power closed its fundraising campaign with an acquired capital of 450% of the planned capital; EpicuraMed presents a percentage of 240% while Azienda Agricola Montemonaco reaches a percentage of 300%.

5. Conclusions

The phenomenon of equitycrowdfunding in Italy is still going through the embryonic phase of its development, but the speed with which it is growing leaves one to imagine that in the near future this market will take on a leading role in the financing of small businesses. The financial system is maturing, SMEs, and in particular the innovative start-ups, are becoming more structured, investors are more experienced and the regulatory environment is moving toward a strong incentive direction.

Investors have the opportunity to choose how to diversify their investments by evaluating in detail a number investment opportunities; on the corporate front, they have the possibility of accessing an efficient financing channel, increasing the level of equity and improving their rating, thus facilitating access to credit.It is therefore possible to state that equity crowdfunding can represent a valid and concrete solution to the problem of the equity gap that structurally afflicts small firms.

The sustained growth of equity allows us to hypothesize that in the near future research on the subject will be deepened and aimed at verifying the quantitative dimension of the phenomenon. Furthermore, the availability of more data will allow us to assess the extent to which the capital raised through internet platforms can replace other forms of financing and influence the balance of the financial structure of SMEs.

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GROWTH OF CRYPTOCURRENCY AND ITS CHALLENGES

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ABSTRACT :

Due to the rapid development of information and communication technologies, many activities of our daily lives have merged online and have become more flexible and effective. A great growth in the number of online users has activated the concepts of virtual words and created a new commercial phenomenon which is cryptocurrency to facilitate financial activities such as buying, selling and trading. Cryptocurrencies are precious and intangible objects that are used electronically in various applications and networks, such as online social networks, online social games, virtual worlds and peer-to-peer networks. This document investigates the user's expectations regarding the future of cryptocurrency. It also explores the user's confidence in managing cryptocurrencies at a time when the use of such virtual money is not fully controlled and regulated. In addition, the document aims to measure the spread of the use of cryptocurrency to obtain a clear image from a practical view. The document also analyses how 21 different countries responded in terms of cryptocurrency regulations and laws to develop a clear picture of their impact on various laws in India to be regulated.

Keywords *: Bitcoin, Cryptocurrency, Cryptocurrency Legislations.*

Introduction

A cryptocurrency is nothing but a digital or virtual currency that uses cryptography for security. Unlike other currencies cryptocurrency is difficult to counterfeit because of this security feature. Many cryptocurrencies are decentralized systems based on block chain technology, a distributed ledger imposed by an irregular network of computers. A distinctive feature of a cryptocurrency, and perhaps its greatest attraction, is its organic nature; it is not issued by any central authority, which makes it theoretically immune to government interference or manipulation. The first block chain-based cryptocurrency was Bitcoin, which remains the most popular and valuable. Today there are thousands of alternative cryptocurrencies with various functions or specifications. Some of these are Bitcoin clones, while others are proprietary or new cryptocurrencies separated from an existing one.

OBJECTIVE:

1. To study and understand the concepts of cryptocurrency.
2. To investigate the user’s expectations of the future of cryptocurrency.

3. To explore the users' confidence of dealing with crypto currency.
4. To measure the spread of cryptocurrency use to have a clear picture from the practical view.

What is Cryptocurrency Used For?

What exactly can cryptocurrency do after having it? It's a debate that has sparked since Bitcoin first appeared on the scene. "Currency" is in the name and yet it took a year to make a single purchase. What kind of "cryptocurrency" has a limited capacity to use as a currency?

The amount of things you can buy with cryptocurrencies has grown, but it's not the only way it can be used. Investing is also a popular tool for cryptocurrency lovers.

How to Invest in Crypto currency?

Investing in cryptocurrencies is probably easier than spending it. What you do is buy some cryptocurrencies. Then you ... keep it. This is.

The volatility inherent in the cryptocurrency, an intangible entity that still has a lot of mystery, has made it an intriguing investment for those who want a risk in their portfolio. And what does it say about risking more than buying something that has reached a value of almost $ 20,000 just to erode less than half of next year?

Investing in cryptocurrencies, if you are really passionate, can be extremely long term. Think about someone who bought Bitcoin in early 2011, when its value was less than a dollar, and how they would have felt if they still had them in December 2017. They suffered enough storms before it was worth it, and that sudden spike has been far from true.

On the other hand, think of someone who bought Bitcoin at the time he left, only to see how its value continuously decreases over the next year. Investing in cryptocurrencies represents an important risk and those who want to do so should give the idea of the complete thought it requires.

For this reason, many try to try other methods of investing in cryptocurrencies. In most cases, this can be done by investing in companies working on blockchain-related technology. NVidia (NVDA - Get report) and AMD (AMD - Get report) create powerful GPUs that many use to help extract cryptocurrencies and their efforts to keep up with the power needed for mining turned NVidia into a large stock in 2018 A company like Overstock (OSTK - Get Report), which accepts Bitcoin and developed its own blockchain, is also a popular crypto-adjacent investment option.

Can You Buy Things With Cryptocurrency?

Bitcoin as a currency has come a long way since the days when someone thought 10,000 BTC would be enough for 2 pizzas, even if it's not close to the main currency that its owners want it to be. Several retail and online stores have left room for those

who wish to use cryptocurrencies for purchases, at least for cryptocurrencies made with the intention of being used as a payment.

The aforementioned Overstock, as well as the Newegg electronics store, accepts Bitcoin payments for the various items available for purchase and the Expedia travel site allows users to use BTC for certain hotel reservations. There is also a pizza site designed specifically to purchase cryptocurrency pizza called PizzaForCoins.com. Websites can do this with the help of companies like ShapeShift, a cryptocurrency platform that helps PizzaForCoin accept more than 50 different cryptocurrencies as payment.

Online platforms are inherently easier to accept cryptocurrencies, but some stores in the outside world have tried to purchase cryptocurrencies, including some KFCs and metros around the world. And Starbucks' latest partnership with Intercontinental Exchange Inc., which recently launched a cryptocurrency integration system called Bakkt, makes people wonder if the ability to buy Starbucks with Bitcoin is just around the corner.

What Are the Most Popular Cryptocurrencies?

With all the risks mentioned on Bitcoin, it would be understandable if you might not want to get involved with it. However, if you are still interested in cryptocurrency, what are other popular ones you can consider?

These are some of the most important alternative currencies on the market, both in terms of reputation and market capitalization.

Ethereum : Ethereum is currently outperformed by Bitcoin only in terms of market capitalization. What sets Ethereum apart (and its specific Ether cryptocurrency) from Bitcoin is that, instead of functioning as a currency and a disruption for the banking sector, Ethereum tries to stop storing data online. The blockchain in Ethereum is famous for storing smart contracts.

Ripple: In stark contrast to Bitcoin's intention to separate from banking, Ripple and its XRP currency seek to help financial institutions. The strength of XRP as a currency is its ability to be used in the middle of a transaction between two different legal currencies, minimizing liquidity. The ripple is not extracted and the 100 billion XRPs created simply exist. Ripple also promotes itself to have a significantly higher transaction speed than Bitcoin.

Litecoin: Litecoin has also often boasted of its transaction speed compared to Bitcoin, and as a result it is viewed by some cryptocurrency fans as another potential altcoin that can become a legitimate currency. Helen's Pizza, a Jersey City, New Jersey restaurant that accepts payments with Bitcoin, also recently announced that it would also accept Litecoin.

Zcash: Zcash is also meant to be used as a currency, but for private transactions. Blockchain transactions for cryptocurrency are generally visible in a public book, but Zcash allows companies and other entities that transact to selectively display their data in the book by hiding some details.

Can Cryptocurrency Be Taxed?

Yes, the U.S. Internal Revenue Service claims that virtual currency transactions are subject to fees.

The cryptocurrency that has capital assets is treated as property; therefore, buying some cryptocurrencies and then simply keeping them and doing nothing means that it can be treated as an action or a bonus and not necessarily be informed. However, if you sell or change something to buy something, you need to inform.

If you are paid via cryptocurrency, this is taxed as income and must be incorporated into your income on your W-2. Employers who pay in cryptocurrency should also make sure it is on their W-2 and keep flawless records of what the USD cryptocurrency was worth on the day the transaction was made.

If you are a cryptocurrency miner and successfully extract coins, the IRS states that you will need to report it on your W-2, as well as part of your gross income. As with cryptocurrency payments, you need to keep track of how much the coin prizes were worth when you received them.

Cryptocurrency Controversies

Although the cryptocurrency has reached general discussion, there remains great skepticism. Many are concerned about that encryption; Bitcoin in particular will become a bubble that will soon explode.

In addition, Bitcoin has seen a good deal of scams. Blockchain and cryptocurrency-related companies will often have an Initial Coin Offering (ICO) instead of an IPO, which requires cryptocurrencies in exchange for their company's cryptocurrency to help evaluate. However, this is extremely risky and fake ones are common.

Perhaps the most controversial element of the cryptocurrency, however, is energy. Evidence of the labor process needed to mine Bitcoin consumes a troubling amount of electricity and concern has increased as more and more people are engaged in mining. This is much bigger than the energy bills; According to Ars Technica, Bitcoin's annual energy consumption rate is the same as in all of Denmark. This is an important environmental problem.

Some cryptocurrencies have tried to use a participation test method, in which the nodes are validated in a deterministic way, to help in this energy crisis. Instead of extracting a block, the creator of the block is determined by the amount of wealth they have within the cryptocurrency and the share they bring. There is no prize, so

they receive the transaction fee. More importantly, this does not require expensive equipment that consumes energy. However, the vast majority of cryptocurrencies still use proof of labor.

Is Crypto currency Safe?

As mentioned, there are scams to be careful of. Cryptocurrency remains a relatively new thing that many misunderstand frequently and it is easy to defraud someone.

So can cryptocurrency be safe? If you are careful, cautious and make the right decisions, yes. Cold storage (keeping your wallet offline through a paper wallet or a disconnected hardware wallet) can keep your cryptocurrency offline. Keep your computer updated and protected. Search for everything you can before deciding on a cryptocurrency and the exchange in which you buy it.

Can Cryptocurrency Be Hacked?

Yes. It's something cryptocurrency owners should be careful about and why so many choose to store them offline as soon as they buy digital currencies.

The most notable form of cryptocurrency hacking is hacking a cryptocurrency exchange. Once a coin is gone, it is gone forever. This exchange no longer has it and you cannot recover it. This year, the South Korean Conrail exchange has been breached and may have lost up to $ 40 million in coins.

It is not the first time that a pirated exchange has taken place. The Japanese currency exchange lost more than $ 500 million in an attack. And the mountain. The Gox exchange has gone through several hacks that have cost hundreds of millions of dollars in cryptocurrencies; in the end, they had to close.

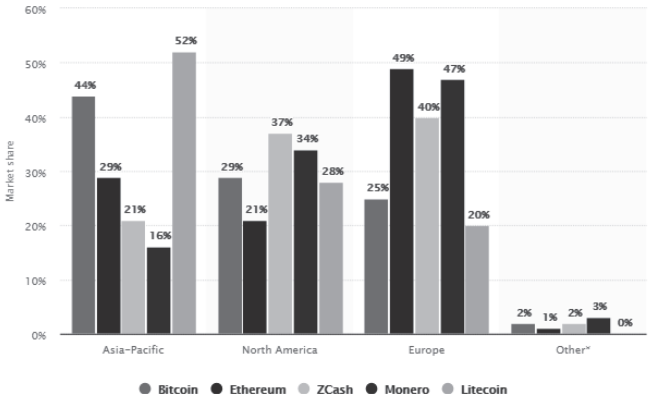
METHODOLOGY:

Primary data was not collected for the research paper.

Secondary Data

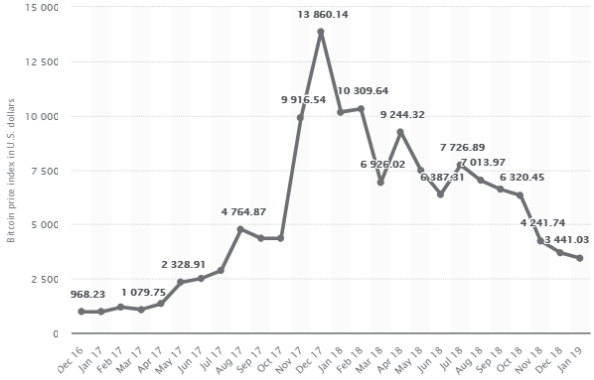
Secondary data was collected. Several magazines and newspapers have been used for this, as it is a conceptual document. Therefore, the goal is to better understand the concept, its application and the impact on the economy through other parameters. Therefore, qualitative and quantitative data were used.

Distribution of cryptocurrency mining groups worldwide in 2018, by region

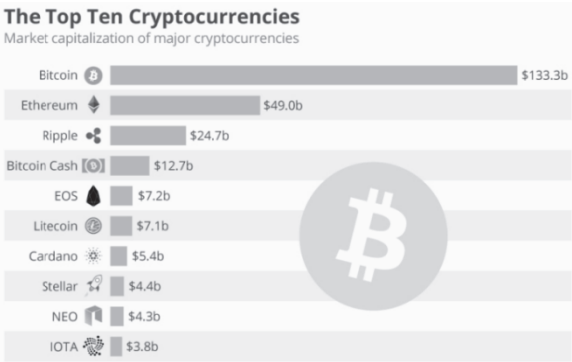


The statistic presents the distribution of cryptocurrency mining groups around the world in 2018, by region. In that year, 44 percent of Bitcoin mining groups were located in the Asia-Pacific region, compared with 16 percent of Monero groups.

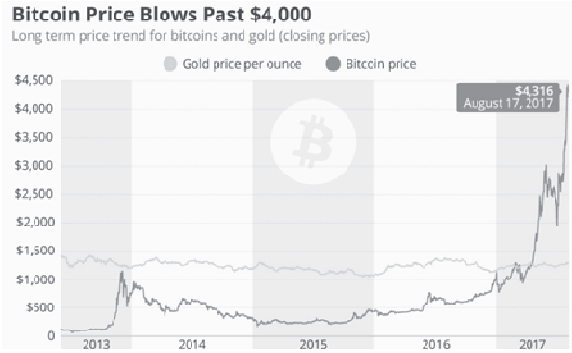
Bitcoin Price Index January 2017 to January 2019 (in US dollars)



The graph presents the evolution of the Bitcoin price index from January 2017 to January 2019. The Bitcoin price index is an average of the Bitcoin prices in the main global exchanges. The value of the Bitcoin index at the end of January 2019 amounted to 3,441.03 USD.

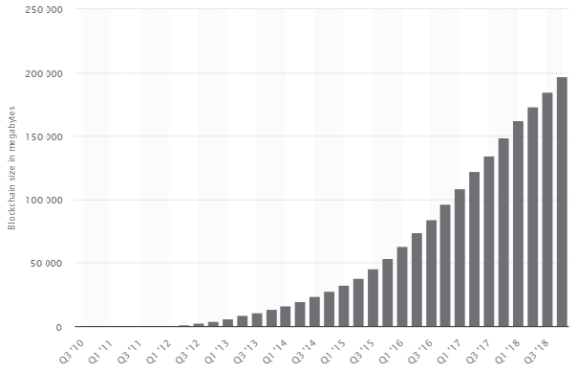


This chart shows the market capitalization of the main cryptocurrencies.



This chart compares the long-term trend of bitcoin and gold prices.

Bitcoin block chain size from 2010 to 2019, per quarter (in megabytes)



The statistic presents the total size of the Bitcoin block chain, the distributed database that contains a list of constantly growing Bitcoin transactions and records and manipulation tests, from the third quarter of 2010 to the last quarter. The size of the Bitcoin block chain has increased since the creation of the Bitcoin virtual currency in 2009, reaching around 197 gigabytes in early January 2019.

CONCLUSION:

So far, you've learned what cryptocurrencies are and how they work. He also knows how to store them and where to market them. However, understanding cryptocurrency is much more than understanding block chain and mining. Understanding cryptocurrency means understanding what those technologies can do for you. Cryptocurrencies have the power to change our lives forever. They can help you regain control of your money and information. Some people will ignore them and expect them to leave. Others will join the party.

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4. https://blockgeeks.com/guides.
5. https://www.bitdegree.org/tutorials.

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AN ANALYTICAL REVIEW OF THE LITERATURE ON DEMOGRAPHIC FACTORS INFLUENCING DECISION MAKING OF INVESTORS IN MUTUAL FUNDS

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ABSTRACT :

The present Research Paper made an attempt to do an analytical review of past literature on demographic factors which influencing decision making of investors, though a lot of research has been done on investors' perception on mutual funds. In the present paper, literature review on only one dimension with respect to the demographic factors and investors' awareness, education, and interest regarding mutual funds was examined. The paper make an effort to study the existing work done on concerned subject to enhance knowledge and presents the facts into various issues & future work which can be done in the field of Mutual Fund. This research Paper attempts to systematically review available literature on Mutual Fund. In this paper Researcher will look specifically literature related to demographic factors and find out the research gap in Mutual Fund issues and challenges. The analysis of this research will be limited to Mutual Fund and human tendency towards it.

Keywords: *Mutual Fund, Equity Linked Saving Schemes, etc.*

Introduction:

Every people must prepare for unavoidable situation which may come arises in days. A future is uncertain hence Individual must do planning well in advance to avoid financial crises. Investing is the act of committing capital with the expectation of obtaining an additional income or profit. Investment is a process to make efforts to create wealth for future. To fulfil the dreams and goals it is not enough to earn but to invest smartly and able to get good returns. Investing if done wisely provides acceleration to the money and has potential to earn strong rates of return. Skipping investment is losing opportunities to increase financial worth. Every investor wants to invest to get return at the earliest without the risk of losing the principal money. In reality investment products that give high returns with low risk do not exist. Risk and returns are inversely proportional to each other i.e., higher the returns, higher is the risk, and vice versa. Every individual should analyze their own risk profile with the risks associated with the product before investing. Investment is the action or process of investing money for profit. There are several investment options with different risk and return profiles that cater to the investor's appetite.

- Direct equity
- Mutual funds
- National Pension System (NPS)
- Public Provident Fund (PPF)
- Bank fixed deposit (FD)
- Senior Citizens' Saving Scheme (SCSS)
- Bonds and Debentures
- Real Estate
- Gold

The money pooled in by a large number of people (or investors) is what makes up a Mutual Fund. This fund is managed by a manager. It is a trust that collects money from a number of investors who share a common investment objective. Then, it invests the money in equities, bonds, money market instruments and/or other securities. Each investor owns units, which represent a portion of the holdings of the fund. The income/gains generated from this collective investment is distributed proportionately amongst the investors after deducting certain expenses, by calculating a scheme's "Net Asset Value or NAV. Mutual funds offer a wide variety of investment choices based on the financial goals and time horizon.

Funds based on Global and International: 1. A global mutual fund invests in assets around the world including the home country. 2. An international mutual fund invests in assets around the world excluding the home country.

Funds based on maturity period 1. Open ended funds: It allows investors to subscribe or redeem units as per the prevailing Net Asset Value (NAV). 2. Close ended funds: The funds listed on stock exchange come with a fixed maturity date, like 3-6 years. Investors can subscribe at the time of initial launch.

Funds based on investment objective 1. Equity/Growth Funds: The main objective of these funds is to achieve long-term capital growth. Equity funds invest at least 65% of their corpus in equity and equity-related securities. These funds may invest in a wide range of industries/sectors or focus on one or more sectors. These funds are suitable to invest in if you have a higher risk appetite and you have a long-term financial goal. 2. Debt/Income Funds: Debt/income funds usually invest 65% of the amount in fixed income securities such as bonds, corporate debentures, government securities (gilts) and money market instruments. These funds are likely to be less volatile than equity funds. 3. Balanced Funds: To provide stability of returns and capital appreciation, balanced mutual funds invest in both equities and fixed income instruments. These funds generally tend to invest around 60% in equity and 40% in

debt instruments such as bonds and debentures. 4. Tax Saving (Equity Linked Savings Schemes/ELSS) Funds: ELSS mutual funds invest primarily in equities and largely suit investors with a higher risk appetite for capital appreciation. Spread over medium to long-term, tax saving funds comes with a lock-in period of 3 years.

Objectives:

- To review of Research articles focus on Demographic Factors influencing Investor's decisions.
- To find out the Research Gap on the basis of Demographic factors influencing Investor's decisions.

Chronological review of Literature

A literature review may consist of simply a summary of key sources, but in the social sciences, a literature review usually has an organizational pattern and combines both summary and synthesis, often within specific conceptual categories.

To understand and find the research gap the researcher reviewed follow research material as per Demographic Factors influencing Investor's decisions

1. Rabika Begum R.A. (2015)1 in her thesis "A Study on Growth of Mutual Funds With Special Reference To Chennai analyzed that the mutual fund industry in India is showing a positive growth rate. During the research period Asset under management is showing an increasing trend. The study showed the growth, performance and investor's preferences towards various schemes and driving factors influencing the investor's performance assessment for the research period from 2008 to 2014. The researcher in the study pointed out that though private sector mutual fund generates greater return in comparison to its counterpart public sector even though bearing a higher risk but still it was most preferred. The financial factors influencing the investors decision are mainly tax benefit, high return, funds past performance over a certain period and low cost of investment when it comes to investment in the mutual fund. The study showed that majority of the investors preferred open ended schemes and growth option in comparison to the dividend payout option. GAP: The study is limited to Chennai region from 2008-14. Increasing trend of market was only covered. Demographic and financial factors have significant influence the Investors decisions in mutual fund. They preferred open ended schemes and growth options as compared to other. ELSS schemes were totally ignored.
2. Suyash Bhatt (2010)2 in his thesis "An Empirical Study of Factors Affecting Sales of Mutual Fund Companies in India" highlighted the importance of IT enabled service in determining the customer satisfaction and loyalty. The efforts and cost involved for the introduction of IT enabled services for highly valued customers is directly proportional to customer satisfaction and their intention to

remain loyal. These in turn further affects other variables also. The study brings awareness and depicts the importance of impact of three basic factors brand name, financial factor, IT and IT enabled services on service quality and customer satisfaction in the financial service industry in India. The study confirmed that greater the satisfaction level of customers the higher are the chances that they will be loyal which in turn increase the sale of Mutual fund company either as a new reference or additional purchase. GAP: The factors have been taken in this study which increase the sale of mutual fund was IT enabled services quality, brand name, financial factors. Demographic factors is ignored in this study.

3. Rajesh Trivedi, Prafulla kumar Swain and Manoranjan Dash (2011)3 in their paper "A Study of Investors Perception towards Mutual Fund Decisions: An Indian Perspective" pointed that low risk funds had deep impact on the positive purchasing of Mutual Funds schemes. Liquidity and financial awareness of investors plays vital role for investor's investment decisions in Mutual Fund. The study also reveals that males in comparison to females are more educated and aware in Mutual Fund investment. Youth and elderly people are even less aware about the investment in Mutual Fund and proper education in this direction is required. GAP: The study revealed that liquidity and financial awareness were the prime factors but apart from that only male gender had awareness. A more prominent effort was required to educate youth, women and elderly people regarding the schemes.

4. Arathy B and Aswathy A Nair (2015)4 in his paper "A study on Factors Affecting Investment on Mutual Funds And the Preference of Retail Investors." examined that factors such as tax benefit, high return and capital appreciation are more influential rather than liquidity, risk and brand image, liquidity on decisions ability of retail investors. Retail investors of Trivandrum and Ernakulum preferred equity schemes over other schemes of mutual funds. Satisfaction level of investors is found to be average with regard to mutual fund and moreover equity plan had higher preference over debt schemes mutual funds. Even difficulty in selection and bitter past experience factors prevents investor's decisions from investing in mutual fund. Investors satisfaction with regard to Mutual Fund is average. GAP: More emphasis was laid on retail investors of Trivandrum and Ernakulum bitter past of investment experience Study focused more on financial factors rather than demographic and on the basis of it the investors preferred equity schemes over other schemes.

5. Dr. Ravi Vyas (2015)5 in his paper "Mutual Fund Investor's Behavior and Perception in Indore City." In his survey of Indore city concluded that investors preferred investment in share market rather than on return investments.

Investors occupation has a significant impact on mode of investment. Preference is primarily more on lump sum investment rather than on SIP. The investors do not have sufficient knowledge about mutual funds hence they rely more on deft funds like banks and post office deposits schemes. The investors who are investing in mutual funds when not getting desired result over a certain period of time quits from the mutual fund schemes. The investors depends more on the agents analysis rather than on their own fundamentals while investing but still prefer equity options over other mutual fund schemes. GAP: Investors of Indore city prefer stock option rather than mutual fund option as the returns from mutual fund are limited. Investors need to be given proper education to exercise their preferences in mutual fund rather than opting for debt funds.

6. Mr. Jay R Joshi (Mar 2013)6 in his survey of Anand(Gujrat) "Mutual Funds: An investors option from investors point of view" found that diversification of portfolio, higher liquidity and low level of risk respectively are the vital factors affecting the investors decision to invest in mutual fund. Major investors are male belonging to age group 30 to 40 years belonging to business and salaried class. Income level is independent of the investor's frequency of investment.

7. Dr. Nishi Sharma (2012)7 in her paper " Indian Investor's Perception Towards Mutual Fund." Studied the satisfaction index of investors with reference to the benefits offered by the mutual fund company to attract investment. Indian investors are inclined only when the companies ensure full disclosure , safety assurance with monetary benefits along with regular updates of the relevant information. Study revealed three categories which emerge from investment and impact investment decisions. First category relates to fund related attributes, second related with monetary benefits provided by fund and third relates to sponsor related attributes.

8. Waseem UI-Hameed, Muhammad Imran, Nadeem Maqbool and Sajjad Ahmed and Muhammad Azeem (2018)8 in their research paper "A Prospective Study of factors that Lead to invest in Mutual Funds: A Mediating Role of Investor's Perception" conducted a survey in Malaysia and examined various factors motivating people to invest in mutual funds and the mediating role of investors perception in it. Risk and return, liquidity of Assets, demographic factors, convenience and reduction in transaction, tax benefits and transparency were the key factors. The study revealed that factors like definite return at low risk and liquidity of assets increase the investment in mutual fund. Demographic factors such as age, gender and marital status also affect it. High age group male rather than female and married individuals were more likely to invest in mutual fund as compared to other plans. Investment in mutual fund is more convenient and low tax, low transaction cost and transparency trigger investors to invest in

mutual fund. Investor's perception enhances this positive effect over all factors on mutual fund investment.

9. Agrawal, A.M.(1999)9 in his thesis "Study of Mutual Funds Emerging Trends and Prospects" tried to analyse the history, growth, present position and problems of mutual fund in India .Hence it provides a large horizon to mutual funds , the drawback they should avoid and scope of improvement.

10. D.Nithya(2017)10 thesis "Mutual Fund Investment Decision by Individual Investors Behavioral Perspectives" study focused on the behavioral perspectives of individual investor as to mutual fund investment. Study confirmed that the behavioral bias had influence on decision making process of an individual investors.

11. Satish Kumar.B(2014)11 his thesis "Comparison of Financial Performance of Sectoral Mutual Funds in India an Empirical Study" has attempted to study the performance of mutual fund and ranked the funds. This will help the investors to select the best funds based on risk and return. The study has also attempted to identify the fund attributes that had an impact on return.

12. Vennila.A(2012)12 in her thesis "Performance of Mutual Fund Schemes in India Pre and Post recession Period Study" concludes that the changing dimensions of economic reforms such as liberalisation of financial market, free entry of foreign player into Indian capital market has resulted in a rapid restructuring of the economy in tune with global trends. Investors should not only consider past performance of firm but portfolio evaluation too.

Findings:

Research articles 1 to 12, the researcher has observed some similar and some dissimilar statements which is given below:

- Similar Statement: Demographic Factors (Age, Income, Gender, and Occupation) Influence investors decision making in Mutual Fund.
- Rabika Begum R.A. (2015)- Chennai; Rajesh Trivedi (2011); Dr. Ravi Vyas (2015) -Indore; Jay R.Joshi(2013) -Anand; UI-Hameed, Muhammad Imran, Nadeem Maqbool and Sajjad Ahmed and Muhammad Azeem (2018)- Malasyia; Priyanka Kapoor and Dr Shobhit Goel-Lucknow; Y Prabhavathi, N T Krishna Kishore (2013)- Hyderabad; Mehta and Shah (2012); Prabhu,Gauri Vijay(Sep.2014); Rao.Manddala Papa(2015); Varun Sagar (Oct 2014)
- Dissimilar Statement: Investors attitude towards investement are not affected by age and gender.
- Singh k. Binod (2012);

- Similar Statement: Liquidity and financial awareness are the prime factors which Investors consider while investing in Mutual Fund.
- Rajesh Trivedi (2011); Jay R.Joshi(2013)
- Dissimilar Statement: Tax Benefit, high Return and capital appreciation are most preferred rather than Liquidity and financial awareness.
- Arathy B and Aswathy A Nair (2015); Dr. Nishi Sharma (2012); Gaurav Agrawal (Dec 2013)Mathura

Conclusion

The study of Review of literature related to Demographic factors reveals the multi-faceted nature of mutual funds. However this research paper along with historical evaluation also aims to find out the Gap from demographic Literature related to Mutual Fund and knows more about Mutual fund concept. Some Researchers have explored that Demographic Factors (Age, Income, Gender, and Occupation) Influence investor's decision making in Mutual Fund while some researchers said that Investors attitude towards investment are not affected by age and gender. Some Study found that Liquidity and financial awareness are the prime factors which Investors consider while investing in Mutual Fund while in other studies Tax Benefit, high Return and capital appreciation are most preferred rather than Liquidity and financial awareness.

Investors were resistant to mutual funds in 1990s but their perception has changed relatively now. Mutual funds are rapidly emerging as an investment option due to the tax benefits associated with them and that yet-to- be exploited area of mutual funds.

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NON-PERFORMING ASSETS ININDIAN PUBLIC SECTORBANKS: A STUDY

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ABSTRACT :

To study the Non-Performing Assets. The Percentage of Gross NPA's in PSB's. The reasons for the Rise in Non-Performing assets. The problems faced by Indian Public sector banks due to the non-Performing Assets.

Objectives of the Study:

1. To study Non-Performing Assets in Public Sector Banks in India.
2. To study Percentage of Gross NPA in Public sector Banks.
3. To study reasons for Rise in NPA's in PSB's.
4. To study the Problems faced by PSB's due to NPA's.

- **Research Methodology**: Descriptive Research.
- **Data Collection**: Secondary Data.

Introduction:

Non-Performing Assets (NPA) -

Definition: A Non-performing Asset is the Loan or Advance for which the Principal or Interest Payment is remained overdue for the period of 90 days.

Description: Banks are required to classify NPA's further into Substandard, Doubtful and Loss Assets.

1. Substandard Assets: Assets which has remained NPA for a period less than or equal to 12 months.
2. Doubtful Assets: An Asset would be classified as doubtful if it has remained in the substandard category for the period of 12 months.
3. Loss Assets: As per RBI, "Loss Asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted, although there may be some salvage or Recovery value ."

Public Sector Banks (PSBs) are a major type of **bank in India**, where a majority stake (i.e. more than 50%) is held by a government.

Public sector Banks are the banks in which the major stake is with the Government. All the Decisions are taken by the government in Public sector banks.

Non-Performing Assets in Public Sector Banks in India:

Non-Performing Assets are the serious problem in front of the banks as it has direct impact on the Profits of the banks. Therefore also has impact on the Banking Operations also. NPA also reduces the ROI(Return On Investment).

So NPA 's has to be reduced and proper decisions have to be taken to reduce the percentage NPA's

Note: IDBI Bank Limited was recategorised as a private sector bank by RBI with effect from 21.1.2019

Bank	GNPA			% age increase between 31.3.2017 and 31.3.2019	Asset Quality Review (AQR) initiated in 2015 for clean and fully provisioned bank balance-sheets revealed high incidence of Non-Performing Assets (NPAs). As a result of AQR and subsequent transparent recognition by PSBs, stressed accounts were reclassified as NPAs and expected losses on stressed loans, not provided for earlier under flexibility given to restructured loans, were provided for. All such schemes for restructuring stressed loans were withdrawn. Primarily as a result of transparent
	As on 30.6.2014	As on 31.3.2017	As on 31.3.2019		
Allahabad Bank	7,599	20,520	28,698	39.85%	
Andhra Bank	6,827	17,670	28,974	63.97%	
Bank of Baroda	10,641	34,935	40,388	15.61%	
Bank of India	11,160	42,724	51,167	19.76%	
Bank of Maharashtra	3,761	17,189	15,324	(-)10.85%	
Canara Bank	7,905	31,801	36,165	13.72%	
Central Bank of India	11,449	27,251	32,356	18.73%	
Corporation Bank	5,470	17,045	20,724	21.58%	
Dena Bank	3,169	12,619	12,768	1.18%	
IDBI Bank Limited	10,762	38,223	-	-	
Indian Bank	4,415	9,588	13,156	37.21%	
Indian Overseas Bank	8,781	32,521	32,416	(-)0.33%	
Oriental	5,983	22,859	21,717	(-)5.00%	

Bank of Commerce					recognition of stressed assets as NPAs, the gross NPAs of Public Sector Banks (PSBs) increased. Enabled by Government's 4R's strategy, as per RBI data on domestic operations, PSBs have recovered Rs. 3,09,568 crore over the last four financial years, including record recovery of Rs. 1,21,076 crore during 2018-19 (provisional data as reported by RBI on 2.7.2019).
Punjab and Sind Bank	3,010	6,298	8,606	36.65%	
Punjab National Bank	19,335	53,121	76,724	44.43%	
State Bank of India (SBI)	56,830	1,05,549	1,70,813	61.83%	
State Bank of Bikaner and Jaipur	2,331	10,677	Merged with SBI	Merged with SBI	
State Bank of Hyderabad	6,174	18,212			
State Bank of Mysore	2,490	9,915			
State Bank of Patiala	3,375	17,847			
State Bank of Travancore	3,282	8,817			
Bharatiya Mahila Bank Limited	0	55			
Syndicate Bank	4,742	15,662	22,348	42.70%	
UCO Bank	5,982	21,699	29,233	34.72%	
Union Bank of India	9,902	30,928	47,554	53.76%	
United Bank of India	7,097	10,952	12,053	10.06%	
Vijaya Bank	2,069	6,382	8,923	39.82%	

Enabled by Government's 4R's strategy, as per RBI data on domestic operations, PSBs have recovered Rs. 3, 09,568 crore over the last four financial years, including record recovery of Rs. 1, 21,076 crore during 2018-19 (provisional data as reported by RBI on 2.7.2019).

Reasons for Rise in Non-Performing Assets (NPA):

The banking sector has been facing the severe problems of the rising NPAs. But the problem of NPAs is more in public sector banks when compared to private sector banks and foreign banks, the NPAs in PSB are increasing due to external as well as internal factors.

1. External Factors

a. Ineffective recovery tribunal

The Govt. has set of numbers of recovery tribunals, which works for recovery of loans and advances, due to their carelessness and ineffectiveness in their work the bank suffers the consequence of non-recover, their by reducing their profitability and liquidity.

b. Willful Defaults

There are borrowers who are competent to pay back loans but are intentionally withdrawing it. These groups of people should be recognized and proper measures should be taken in order to get back the money extended to them as advances and loans.

c. Natural calamities

This is the measure factor, which is creating alarming increase in NPAs of the PSBs. every now and then India is hit by major natural calamities thus making the borrowers unable to pay back there loans. Thus the bank has to make large amount of provisions in order to pay damages those loans, hence end up the fiscal with a reduced profit. Basically ours farmers depends on rain fall for cropping. Due to irregularities of rain fall the farmers are not to attain the production level thus they are not repaying the loans.

d. Industrial sickness

Inappropriate project handling , ineffective management , lack of adequate resources , lack of advance technology , day to day changing govt. Policies produce industrial sickness. Therefore the banks that finance those industries ultimately end up with a low recovery of their loans reducing their profit and liquidity.

e. Lack of demand

Entrepreneurs in India could not predict their product demand and starts production which ultimately piles up their product thus making them unable to pay back the money they borrow to operate these activities. The banks recover the amount by selling of their assets, which covers a smallest label. Therefore the banks record the non-recovered part as NPAs and has to make provision for it.

f. Change on Govt. policies

With every new govt. banking sector gets new policies for its operation, so it has to cope with the changing principles and policies for the regulation of the rising of NPAs. For example, the fallout of handloom sector is continuing as most of the

weavers Co-operative societies have become defunct largely due to withdrawal of state patronage. The rehabilitation plan worked out by the Central government to renew the handloom sector has not yet been implemented, so the over dues due to the handloom sectors are becoming NPAs.

2. Internal Factors

a. Defective Lending process

There are three cardinal principles of bank lending that have been followed by the commercial banks, that is, Principles of safety, Principle of liquidity, Principles of profitability. Principles of safety mean that the borrower is in a position to pay back the loan, including both principal and interest. The refund of loan depends upon the borrowers, Capacity to pay and Willingness to pay.

Capacity to pay depends upon, Tangible assets, Success in business. Willingness to pay depends on, Character, Honest, Reputation of borrower. The banker should, therefore take utmost care in ensuring that the enterprise or business for which a loan is sought is a sound one and the borrower is competent of carrying it out successfully, he should be a person of integrity and good character.

b. Inappropriate technology

Due to improper technology and management information system, market driven decisions on real time basis cannot be taken. Proper MIS and financial accounting system is not implemented in the banks, which leads to poor credit collection, so NPA, therefore all the branches of the bank should be computerized.

c. Improper SWOT analysis

The inappropriate strength, weakness, opportunity and threat analysis is another reason for increase in NPAs. While providing unsecured advances the banks depend more on the honesty, integrity, and financial soundness and credit worthiness of the borrower, so, banks should consider the borrowers own capital investment and bank should collect credit information of the borrowers from, a. Bankers b. Enquiry from market/segment of trade, industry, business. c. From external credit rating agencies.

Banker should examine the balance sheet which shows the true picture of business will be revealed on analysis of profit/loss a/c and balance sheet. When bankers give loan, he should examine the purpose of the loan. To make sure safety and liquidity, banks should grant loan for productive purpose only. Bank should examine the profitability, viability, long term acceptability of the project while financing.

d. Poor credit appraisal system

Deprived credit appraisal is an additional factor for the increase in NPAs, due to poor credit appraisal the bank gives advances to those who are not able to repay it back. They should use better credit appraisal to reduce the NPAs.

e. Managerial deficiencies

The banker should always select the borrower very cautiously and should take tangible assets as security to safe guard its interests. When accepting securities, banks should consider, the Marketability, Acceptability, Safety, Transferability etc. The banker should follow the principle of diversification of risk based on the famous maxim "do not keep all the eggs in one basket", which means that the banker should not grant advances to a few big farms only or to concentrate them in few industries or in a few cities. If a latest big customer meets misfortune or certain traders or industries affected adversely, the overall position of the bank will not be affected.

f. Absence of regular industrial visit

The irregularities in spot visit also increases the NPAs, absence of regularly visit of bank officials to the customer point decreases the collection of interest and principals on the loan. So the NPAs can be collected by regular visits.

The growth and proliferation in the activities of the bank has led to ever-increasing non-performing assets that have mounted to a huge amount during the last decade or so. The quantum of NPAs has been calculated and put at different figures mainly due to absence of correct statistics and the method on the basis adopted for calculating the percentage of NPAs in relation to either the total assets of the bank or the quantity of loan portfolio or on the basis of the number of the accounts or the size of the outstanding advances.

Problems Faced by Public Sector Banks due to NPA's:

1. Higher NPA ratio trembles the confidence of investors, depositors and other stakeholders.
2. It also causes poor recycling of funds, which in turn will have deleterious effect on the deployment of credit.
3. The non-recovery of loans effects not only further availability of credit but also financial soundness of the banks.
4. Profitability is reduced due to Rise of NPS's.
5. Undermine Banks Image in the market and the public.
6. NPA's have the direct impact in the Funding's.

Conclusion:

1) The NPA's are the major problem in front of the PSB's. Some Control measures were taken from 2015 but still proper measures are required.
2) NPA's can be reduced with the proper selection of Clients.
3) Good Management and proper integration of internal factors of Banks.

4) Reducing the Percentage of NPA's can increase the Profitability of the Banks.

5) More funds will be available with Banks for Banking Operations by solving the problem of NPA's.

Findings:

1. Strategies are implemented by RBI to reduce NPA's. Innovative methods should be implemented from time to time to reduce NPA's.
2. No bank with NIL NPA's. Other than recently established.
3. Proper Strategies can solve the problem of NPA's.
4. Internal and External factors responsible for rise of NPA's.
5. Due to continuous Efforts implemented by the Government from time to time has reduced the level of NPA's.(Approximately 89,189 crores)

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"INNOVATIONS IN INDIAN BANKING SECTOR- CHANGED FACE OF BANKING"

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ABSTRACT :

Indian banking system touches the lives of millions of people and it is growing at a fast pace. Banking industry in India is facing number of challenges like changing needs and perceptions of customers, new regulations from time to time and great advances in technologies. The pressure of meeting these challenges have compelled banks to change the old ways of doing business. The research paper focuses on how the technology has transformed the face of banking in India. India's banking system has seen some major financial innovations in the past decades which lead to tremendous improvements in banking services and operations. The various innovations in banking and financial sector are ECS, RTGS, EFT, NEFT, ATM, Retail Banking, Debit and Credit cards, free advisory services, online banking, mobile banking and many more value added products and services. This paper also highlights the benefits and challenges of changing banking trends.

Key Words: *Indian Banking, Technological Innovations, Financial Innovation)*

Introduction

The commercial banking business has changed dramatically over the past 25 years, due in large part to technological change. Advances in telecommunications, information technology, and financial theory and practice have jointly transformed many of the relationship focused intermediaries of yesteryear into data-intensive risk management operations of today. Consistent with this, we now find may commercial banks embedded as part of global financial institutions that engage in a wide variety of financial activities.

To be more specific, technological changes relating to telecommunications and data processing have spurred financial innovations that have altered bank products and services and production processes. For example, the ability to use applied statistics cost-effectively (via software and computing power) has markedly altered the process of financial intermediation. Retail loan applications are now routinely evaluated using credit scoring tools, rather than using human judgment. Such an approach makes underwriting much more transparent to third parties and hence facilities secondary markets for retail credits (e.g., mortgages and credit card

receivables) via securitization. It will describe how technological change has spurred financial innovations that have driven the aforementioned changes in commercial banking over the past 25 years. In this respect, the analysis distinguishes itself by reviewing the literature on a large number of new banking technologies and synthesizing these studies in the context of the broader economics literature on innovation.

The various innovations in banking and financial sector are ECS, RTGS, EFT, NEFT, ATM, Retail Banking, Debit & Credit cards, free advisory services, implementation of standing instructions of customers, payments of utility bills, fund transfers, internet banking, telephone banking, mobile banking, selling insurance products, issue of free cheque books, travel cheques and many more value added services.

Review of literature:

Financial innovations lower cost of capital, reduce financial risks, improve financial intermediation, and hence welfare enhancing. The primary function of financial system is to facilitate the allocation and deployment of economic resources in an uncertain environment (Merton, 1992). Financial innovation is helpful in ensuring smooth functioning and improves the overall efficiency of the system by minimizing cost and reducing risk. More generally, financial innovation has been a central force driving the financial system toward greater economic efficiency (Merton and Bodie 2005).Avasthi& Sharma (2000-01) have analyzed in their study that advances in technology are set to change the face of banking business. Technology has transformed the delivery channels by banks in retail banking. It has also impacted the markets of banks..Janki (2002) analyzed that how technology is affecting the employees' productivity. There is no doubt, in India particularly public sector banks will need to use technology to improve operating efficiency and customer services. The focus on technology will increase like never before to add value to customer services, develop new products, strengthen risk management etc. the study concludes that technology is the only tool to achieve their goals. Technological change and the advent of the internet are among the most dramatic and challenging areas of change for the sector. Technological innovations have shown the increased productivity as stated by Rishi and Saxena (2004).. Technology has a definitive role in facilitating transactions in the banking sector and the impact of technology implementation has resulted in the introduction of new products and services by various banks in India. Hua G.

Objective of the Study :

This paper aims to examine the various innovative instruments introduced by banks in recent time

- To study how innovations have contributed to the development of Indian banking

- To study the challenges faced by Indian banks in the changing scenario

Financial Innovation and Banking

The literature pertaining to several specific financial innovations appearing over the past 25 years or so that were specifically driven by technological change. The major discussion is focusing on the lines of: new products & services, new production process and new organizational forms.

I) Products:

Mortgage loans are one suite of products that have experienced a great deal of change over the past 25 years in the United States. In 1980, long-term fully amortizing fixed-rate mortgages were the norm and this product was offered primarily by thrift institutions. Moreover, these loans required substantial down payments and a good credit history and the accumulated equity was relatively illiquid.

These characteristics have markedly evolved. The first big change occurred in the early 1980s with the widespread introduction of various types of adjustable-rate mortgages (ARMs), which had previously been banned by federal regulators. The Tax Reform Act of 1986, which ended federal income tax deductions for non-mortgage consumer debt, spurred substantial growth in home equity lending. One mortgage innovation more directly tied to technological change is subprime lending, which was originally predicated on the use of statistics for better risk measurement and risk-based pricing to compensate for these higher risks. However, the subprime mortgage crisis has uncovered significant shortcomings in the underlying statistical models.

- **Subprime Mortgages:** Subprime mortgage lending, broadly defined, relates to borrowers with poor credit histories or high leverage as measured by either debt/income or loan-to-value. This market grew rapidly in the U.S during the first decade of the twenty-first century – averaging about 20% of residential mortgage orginations between 2004 and 2006. At the end of 2007, subprime mortgages outstanding stood at $940 billion; down from over $1.2 trillion outstanding the previous year (Inside Mortgage Finance 2008).

Since the onset of the subprime mortgage crisis, research has attempted to identify various sources of the problem. Mayer, Pence and Scherlund (forthcoming) provide an overview of the attributes of subprime mortgages outstanding during this time and investigate why delinquencies and defaults increases so substantially. These authors, as will as Gerarbi, Lehnert, Sherlund, and Willen (forthcoming), point to significant increase in borrower leverage during the mid-2000s, as measured by combined loan-to-value (CLTV) ratios, which was soon followed by falling house prices.

II) Services:

Recent service innovations primarily relate to enhanced account access and new methods of payment-each of which better meets consumer demands for convenience and ease. Automated Teller Machines (ATMs), which were introduced in the early 1970s and diffused rapidly through the 1980s, significantly enhanced retail bank account access and value by providing customers with around the clock access to funds. ATM cards were then largely replaced through the 1980s and 1990s by debit cards, which bundle ATM access with the ability to make payment from a bank account at the point of sale. Over the past decade, remote access has migrated from the telephone to the personal computer. Online banking, which allows customers to monitor accounts and originate payments using "electronic bill payment," is now widely used. Stored-value, or prepaid, cards have also become ubiquitous.

- **Debit Cards:** Debit cards are essentially "pay-now" instruments linked to a checking account whereby transactions can happen either instantaneously using online (PIN based) methods or in the near future with offline (signature based) methods. Consumers typically have the choice of using online or offline methods, and their selection often hinges on the respective benefits. Online debit allows the cardholder also to withdraw cash at the point-of-sale, and offline provides float. According to ATM & Debit News (2007), there were approximately 26.5 billion debit transactions in the U.S. during 2006. This is up from 6.5 billion transactions in 1999 – a four-fold increase.
- **Online Banking:** As households and firms rapidly adopted internet access during the late-1990s, commercial banks established an online presence. According to De Young (2005), the first bank websites were launched in 1995: and by 2002 nearly one-half of all U.S. banks and thrifts operated transactional websites. As of 2007, bank call report data suggests that 77.0 percent of commercial banks offer transactional websites (and these banks control 96.8 percent of commercial bank deposits).

The primary line of research relating to online banking has been aimed at understanding the determinants of bank adoption and how the technology has affected bank performance. In terms of online adoption. Furst, Lang, and Nolle (2002) find that U.S. national banks (by the end of the third quarter of 1999) were more likely to offer transactional websites if they were: larger, younger, affiliated with a holding company, located in an urban area, and had higher fixed expenses and non-interested income. Turning to online bank performance, De Young, Lang, and Nolle (2007) report that internet adoption improved U.S. community bank profitability – primarily through deposit-related charges. In a related study, Hernando and Nieto (2007) find that, over time, online banking was associated with lower costs and higher profitability for a sample of Spanish banks. Both papers

conclude that the internet channel is a complement to – rather than a substitute for – physical bank branches.

- **Prepaid cards:** As the name implies, prepaid cards are instruments whereby cardholders "pay early" and set aside funds in advance for future purchases of goods and services. (By contrast, debit cards are "pay-now", and credit cards are "pay later"). The monetary value of the prepaid card resides either of the card or at a remote database. According to Mercator Advisory Group, prepaid cards accounted for over $180 billion in transaction volume in 2006.

Prepaid cards can be generally delineated as either "closes" systems (e.g., a retailer-specific gift card, like Macy's or Best Buy) or "open" systems (e.g., a payment-network branded card, like Visa or MasterCard). Closed-system prepaid cards have been effective as a cash substitute on university campuses, as well as for mass transit systems and retailers.

III) Production Processes

The past 25 years have witnessed important changes in banks production processes. The use of electronic transmission of bank-to-bank retail payments, which had modest beginnings in the 1970s, has exploded owing to greater retail acceptance, online banking and check conversion. In terms of intermediation, there has been a steady movement toward a reliance on statistical models. For example, credit scoring has been increasingly used to substitute for manual underwriting – and has been extended even into relationship-oriented products like small business loans. Similar credit risk measurement models are also used when creating structured financial products through "securitization". Statistical modelling has also become central in the overall risk management processes at banks through portfolio stress testing and value-at-risk models – each of which is geared primarily to evaluating portfolio value in the face of significant changes in financial asset returns.

- Asset Securitization: Asset securitization refers to the process by which non traded assets are transformed into the U.S., securitization is widely used by large originators of retail credit – specifically mortgages, credit cards and automobile loans. As of year-end 2007, federally sponsored mortgage pools and privately arranged ABS issues (including private-label mortgage-backed securities) totalled almost $9.0 trillion in U.S. credit market debt outstanding.

By contrast, as of year-end 1990, these figures were $1.3 trillion, respectively. One recent innovation in the structured finance/securitization area is the introduction of collateralized debt obligations (CDOs). According to Long staff and Rajan (2006) these instruments, which were first introduced in the mid-1990s, are now in excess of $1.5 trillion. Like ABS, CDOs are also liabilities issued by financial-institution-sponsored trusts, which essentially pool and restructure the priority of cash flows

associated with other types of risky financial assets, including senior and mezzanine ABS, high-yield corporate bonds and bank loans.

- Risk Management: Advances in information technology (both hardware and software) and financial theory spurred a revolution in bank risk management over the past two decades. Two popular approaches to measuring and managing financial risks are stress-testing and value-at-risk (VaR). In either case, the idea is to identify the level of capital required for the bank to remain solvent in the face of unlikely adverse environments.
- Organizational Forms: new bank organizational forms have emerged in the United States over the past few decades. Securities affiliates (so-called "section 20" subsidiaries or the creation of "financial holding companies") for very large banks and Subchapter S status for very small banks, were the byproduct of regulatory/legal evolution. Indeed, only one new organizational form, the internet-only bank, arose from technological change. These institutions, which quickly emerged and disappeared, may represent an interesting laboratory for the study of "failed" financial innovations. We believe that understanding such experimental failures may hold important insights for understanding the keys to successful innovations.

Suggestions & Recommendations:

- Better and cheaper access to basic infrastructure requirements such as power and telecommunications
- Creation of customer awareness and education for technology adoption are imperative.
- The IT Act 2000 needs to implement in totality to handle legal issues.
- Set up an Electronic Banking Group to provide guiding principles for prudent risk management of e- banking activities.
- E-security to be tackled efficiently so as to mitigate all the attendant risks.
- Convert branches into boutiques catering to the requirements of clients and re-engineer the functions of branch banking using technology and delivery channels.

Conclusion:

Over the last three decades the role of banking in the process of financial intermediation has been undergoing a profound transformation, owing to changes in the global financial system. It is now clear that a thriving and vibrant banking system requires a well-developed financial structure with multiple intermediaries operating in markets with different risk profiles. Taking the banking industry to the heights of international excellence will require a combination of new technologies, better

processes of credit and risk appraisal, treasury management, product diversification, internal control and external regulations and not the least, human resources. Fortunately, we have a comparative advantage in almost all these areas. Our professionals are at the forefront of technological change and financial developments all over the world. It is time to harness these resources for development of Indian banking in the new century.

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FINTECH: A GAME CHANGER FOR FINANCIAL INCLUSION IN INDIA

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ABSTRACT :

Financial inclusion as a policy initiative gained attention after the recommendations of Rangarajan committee, 2008. Financial Inclusion, refers to ensuring access to a wide range of financial services at a reasonable cost. Financial inclusion not only encourage the habit of savings but also helps in bringing low income group under formal banking system, Fintech can be defined as technology – based institutions that collaborate with financial institutions. These fintech firms engage in partnership with financial institutions, universities and government agencies thus, creating integrated ecosystems by bringing entities together. India has been forefront in this revolution. It has been reported that 1218 Fintech firms have been operated in India. As per NASSCOM, the Indian fintech software market is expected to touch USD 2.4 billion by 2020. It would thus, help to improve employment opportunities and generating healthy appetite for investment. The purpose of paper presentation is to find how these fintech firms are helping in financial inclusion in India. This paperfocus on which area the fintech firms should invest in order to push financial inclusion in India. This paper would also deliberate on the main challenges faced by fintech industries to improve financial inclusion and how government help to overcome this challenge. The findings would include availability of fintech products to customers and present development in fintech industry. The paper would also focus on the challenges and areas that government should make improvement for the betterment of fintech industry and financial institutions.

Keywords: *financial inclusion, fintech, investment, employment opportunities*

Introduction

Financial inclusion is considered as an important indicator for development and well – being of a society. Financial inclusion as a policy initiative gained attention after the recommendations of Rangarajan committee, 2008. Financial Inclusion, refers to ensuring access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products. It helps in economic development by developing the culture of savings among large segment of rural population, thus helping to increase the resource base. Further, it helps to bring low income group under the formal banking system and mitigating exploitation of vulnerable sections by unscrupulous money

lenders by providing credit on easy terms. RBI has adopted a bank – led model for achieving financial inclusion and has advised public and private sector banks to submit board approved three - year Financial Inclusion Plan (FIP) starting from April 2010. These policies aim at keeping self-set targets in respect of rural brick and mortar branches opened, BCs employed, coverage of un-banked villages with population above 2000 and as well as below 2000, BSBD accounts opened, KCCs, GCCs issued and others. RBI has been monitoring these plans on a monthly basis. Banks have also been further advised to further integrate FIP with business plans and implement to the branch level. This would ensure the involvement of all stakeholders in the financial inclusion efforts. Innovation and technology have brought significant change in providing financial services. With the global investment with up to $ 19 billion in 2015, the world has witnessed the emergence of 12000 start – ups. It has been estimated that fintech sector would boom up to $ 45 billion by 2020. Fintech can be defined as technology – based institutions that collaborate with financial institutions. Fintech firms engage in partnership with financial institutions, universities and government agencies thus, creating integrated ecosystems by bringing entities together. As per NASSCOM, the Indian fintech software market is expected to touch USD 2.4 billion by 2020. In India, the RBI has played an instrumental role in development of fintech sector. The growth of fintech has been seen primarily in payments, lending, security / biometrics and wealth management.

Literature Review

M/S S. Sinha, K.R Pandey, N Madan, in their research paper argue that although there is growth in digital payment, the low - income group are ill prepared and unwilling to adopt digital payment because low penetration of smart phones, non – acceptance of digital payments and limited features of bank accounts

S. Burns (2018) in his research paper suggested that the most effective model that mobile money revolution is the most effective models for financial inclusion and the industry should be provided with the complete freedom to use innovative ways for accessing the unbanked population.

C. Pratt (2018) in his research paper entitled, “Alternative lenders for undermine financial inclusion” argues that lenders should be examined and should be adequately regulated. She further argues that fin - techs undermine and defeat objectives of financial inclusion.

Cover Stories - The study titled ―FinTech and Telecom Go Hand in Hand For Digital Financial Inclusion In Pakistan (2018) highlights that ICT, telecommunications and financial services should be partnered to bring millions of financially excluded people into financial fold by linking them with banks.

Objectives

a. To find how fintech firms are helping in financial inclusion in India

b. To find main challenges faced by fintech firms to improve financial inclusion and how government can help to overcome these challenges.

Research Design and Methodology

The study is based on secondary sources which includes KPMG report, RBI publications, research publications, articles related to fintech industries.

Data Analysis

According to KPMG, 7 themes have been identified to redefine financial sector which includes Next generation payments, P2P lending, bank in a box, financial inclusion, block chain, robo – advisory and security and biometrics. Payments and financial inclusion have gained major market attention. According to World Bank report, it is estimated that 1.7 billion people worldwide or 31% of adults do not have access to basic transaction account and 73% of population are unbanked.One of the barriers is lack of money which implies that financial services are not designed for low – income users. Other barriers include distance from a financial service provider, lack of documentation papers and lack of trust in financial service providers. To counter this, the World bank group and public and private sector partners adopted measurable commitments to achieve Universal Financial Access by 2020 and help promote financial inclusion. UFA2020 focuses on 25 priority countries covering 75% financially excluded population.

According to the RBI report on 'Financial literacy and Financial inclusion – Indian way', the financial inclusion penetration in India is low, where 145 million households do not have access to banking services. In order to promote financial inclusion, RBI has adopted bank led model and removed all regulatory bottlenecks. Currently Urban Co – operative Banks, Regional Rural Banks, Local Area Banks are small finance banks operating in India. Apart from this there is 3 - Tier rural co – operative structure (SCCBs, DCCBs, PACs). We have around 12, 225 NBFCs which is also considered as semi – banks undertaking investment activities. (but still not able to achieve the set target) To push financial inclusion, RBI has also given licenses to 10 entities for setting up small finance banks. RBI has also set the goal of 90% financial inclusion by 2021. The opportunity for fintech is enormous in the areas of Digital payments, remittances, microfinance, P2P lending and direct benefit transfers. Although India has made steady gains by following bank – led model to achieve financial inclusion, there is still substantial ground to be covered.

Digital payments

One of the approaches is to offer mobile – based prepaid instruments (PPIs) / e – money products for easy accessibility on the other given high number of mobile

users in the country. This can be achieved by combining the sustained efforts of both banking and authorised non – banking entities. Another component of the payment segment is the usage of cash which involves significant costs. With the increase in the number of smart phone users touching 160 million by July 2015, mobile money / e – money will not only help to reduce transaction costs, but will also help to enhance financial inclusion. Thus, mobile money is considered as low – cost alternative to cash. As per The Economist report, mobile payment industry in valued at USD 1.15 billion in 2016 from USD 86 million in 2011. Additionally, mobile wallet is estimated to reach USD 183 million by 2019. The fintech have been instrumental in adoption of next generation payments in India. Furthermore, start – ups are coming up with innovative technologies to provide smoother experience across channels. Many, start – ups have entered the space to simplify mobile transfer, such as Chillr application which provides peer to peer money transfers without using bank account details.

Challenges of digital payments

1. Inertia in adoption:

   Even though the penetration of digital payments has been rapidly increasing, concerns regarding security, privacy and transparency of charges are still prevalent among consumers. Industry players will need to invest significant effort to overcome this barrier, not only through marketing campaigns, but also throughcontinuous product improvement.

2. Risk of security breaches and fraud:

   The risks of a breach leading to financial loss is a very important decision factor for adoption of digital payment technologies. “Ensuring the security of the technological system is key, since singular events of breaches can lead to large reputational and financial losses for companies. Maintaining privacy of the consumers is also an important challenge, as an increased amount of data is collected and stored,” says the Deloitte study.

3. Competition from Credit & Debit Cards

   Cards form one of the biggest challenges to further adoption of mobile wallets. Given the current limits on transactions through this channel, limits which are wider in the case of cards does provide a significant roadblock to adoption.

4. Consolidation in the industry:

   Despite the surge in the user base and popularity, mobile payment companies are increasingly moving towards consolidation in the e-wallet space. Lack of funding and growth in transactions between merchants and existing customers of wallet companies has forced consolidation in this space. Investors are

looking at minimizing costs and changing the business model, issues the firms will need to address in the future.

Direct – benefit transfers:

Another area in which fintech firms can focus is government – to – person transfers. The direct transfers have two benefits. One is that it likely to reduce the cost of transactions and other is it makes delivery more convenient as compared to cash - based schemes. The committee on medium term is of the view that the target of financial inclusion cannot be done without social cash transfers from G2P.

Challenges of direct – benefit transfers:

Lack of adequate banking infrastructure

Although, Jan Dhan bank accounts stands at 220 milllion, but it has also contributed to increase in number of dormant accounts. In case of pension and scholarship payments beneficiaries have to travel miles to withdraw payments. The current banking infrastructure does not seem prepared to meet these rising needs, especially those of the rural poor.

Poor network connectivity

As mobile recipients learn about payments through mobile alerts, use of mobile phone is important. However, poor network connectivity is a barrier. In order to push DBT transfers greater use of smartphones and mobile wallets is required, further emphasizing good network connectivity.

Enrolment in the Aadhaar registry:

For DBT to work to its full potential, it would require enrolment of the entire adult population in the Aadhaar registry, the unique identification program. The process of linking the Aadhar number to a bank account number has been slow. It is estimated that only 48% of Jan Dhan accounts has been linked to Aadhaar

Peer to peer lending:

Peer-to-peer lending, also abbreviated as P2P lending, is the practice of lending money to individuals or businesses through online services that match lenders with borrowers. Peer-to-peer lending companies often offer their services online, and attempt to operate with lower overhead and provide their services more cheaply than traditional financial institutions. As a result, lenders can earn higher returns compared to savings and investment products offered by banks, while borrowers can borrow money at lower interest rates, even after the P2P lending company has taken a fee for providing the match-making platform and credit checking the borrower. According to KPMG report 2018, the global market for P2P lending market is expected to grow to USD 1 trillion by 2025. Globally the largest lending market is in the UK, Australia and China. The small and medium enterprise were the most significant users of the platform. One of the success factors of P2P lending market is

growing institutionalization of the market as evidenced in growth of market by 26% in 2015. In India, P2P lenders broadly focus in the categories of micro finance, consumer loans and commercial loans. Some of the leading P2P lenders are i2ifunding, Loanmeet, i-lend, Lenden Club, Milaap, MicroGraam, InstaPaisa and Vote4Cash etc. according to government estimates, only 4% of 57.7 million small business units have access to institutional finance, leaving many to rely on informal lenders.

Challenges for P2P lenders:

Increase 10 lakh limit for investors

P2P lenders are allowed to lend maximum of Rs. 10 lakhs to any retail investors. There is need to revise this limit for retail investors on P2P platforms. Higher the investment spread across large number of borrowers will help investors to earn investors better returns and also provide greater access to capital for borrowers, thus, reducing cost of operations for P2P lending.

Loss from P2P lending should be considered as capital loss when filling income tax

A P2P lender typically lends his money among different set of borrowers to minimize the impact of losses. If P2P lenders is considered as a source of investment, losses suffered should be considered as capital loss when filling income tax rules. The same set of rules exists for short term and long - term capital losses can apply and there is no need for any new provisions especially for P2P.

Tax – free investment limit for lenders

One of the simplest way to mobilize investments from individuals is to make investments in P2P lending, tax free akin to other investment can be placed under Section 80C under Income tax law.

Fintech in MSME sector:

MSME contributes roughly 8% of the country's GDP, which includes 45% of the manufacturing output and 40% of exports. MSME have been underserved by the traditional financial institutions. The credit lending for MSME have been meagre 6% by scheduled commercial banks.

Fintechs firms have potential to meet the needs of start – up SMEs. Peer to peer lending and crowd funding have potential to improve access to small and medium enterprise. Invoice trading enable of discounting of invoices of MSME sellers, allowing them o reduce working capital needs. Flow based secured lending by fintech companies can help meet the working capital requirements of small businesses. There are various product innovations such as merchant cash advance, purchase finance integrated with supplier portals and card based working capital limits are included in this category.

While fintech firms helps in bridging the gap for MSMEs through the use of data analytics and technology, the problem of validation of documentation remains.

Remittances:

The World Bank estimates that India sends Indians abroad around $72 Billion home every year. China and Philippines come second and third respectively. Pakistan and Bangladesh also figure in top 10. Remittances is expected to grow 2.5% every year and contribute significantly to economic development. But the cost of sending money remains high 7.7% globally. The hidden cost is FX spread – the difference between an inter-bank currency conversion rate and the rate quoted to you by a bank or money transfer company, thus eating away the remittance money coming to India this year. According to the World Bank, "if the cost of sending remittances could be reduced by 5 percentage points relative to the value sent, remittance recipients in developing countries would receive over $16 billion dollars more each year than they do now" (Remittance Prices Worldwide, 2015). The UN has recognised the importance of transaction costs in remittance flows and has decided to reduce total cost to 3%. With radical changes through innovations and emerging technologies are transforming the financial landscape. There are a few fintech companies providing remittance services like paytm, pine labs, PhonePe, FreeCharge, Mswipe, Balance hero, MobiKwik, FinoPayTech.

The above figure shows how the conventional money transfer services charge "hidden cost" through the exchange rate spread. The baseline exchange rate is interbank exchange rate which is the rate at which global banks and firms charge to one another when they want to exchange currencies. The average individual doesn't have access to the interbank rate so they have to accept interbank rate provided by remittance service provider.

Using P2P concept, fintech firms match the amounts with another user transferring money in the opposite direction. The firm then uses these pools of funds to pay out transfers via banking service is used.

Recommendations

1. More dynamic infrastructure

   India should work towards higher penetration of mobile, internet and IOT infrastructure so that communication and connection is smooth across all channels.

2. Offer coherent tax incentives to start-ups and venture capitalists

   With GOI working passionately towards the developing financial ecosystems in India, the state governments should also provide additional benefits, especially

in areas where literacy, educational institutions and innovative entrepreneurs are high in penetration.

3. To promote internationally and introduce a strong culture of knowledge sharing by organizing a series of events

   India can leverage success by organising international events and inviting leaders of start up companies. This may lead to increase in investment.

4. Form an independent fintech focused industry association

   It is imperative on the part of GOI, to have a fintech focused trade body that can create a formal sector for budding entrepreneurs. It may consist of representations from RBI, PSU banks, private banks, NPCI and other economic bodies in India. They should be given task to revamp the existing banking models in India.

5. Mobilise both domestic and venture capital funds

   In order to increase investments from local and foreign players, it is imperative to build and important financial ecosystem which can be done by creating awareness amongst investors by financial institutions, enhancing capital access at the seed stage for fintech start - ups, organising more fundraising initiatives by teaming with private players and financial institutions

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IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON THE FINANCIAL PERFORMANCE OF COMPANY

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ABSTRACT :

The objective of this study is to investigate the impact of corporate social responsibility (CSR) engagement on firm financial performance in a developing country ,India and to analyze the moderating role of ownership concentration in the CSR. Financial performance relationship measured by financial ratios such as liquidity ratio, Return on capital employed, Return on Equity and Return on Asset. The study is purely based on secondary sources collected from Companies Annual Report and website .The government has made CSR spending mandatory by which the organizations can significant contributions to the benefit of the public.

The findings were that the Net profit has a significant relationship with the CSR Spending whereas ROA and EPS have no impact. Major focus of the study was to investigate under which circumstances firms' social responsibility has influenced firms' financial performances in a positive way.

Keywords— *CSR Spending, Financial Performance, EPS, ROA, Net Profit*

Introduction

Social responsibility is an ethical framework that suggests that an entity, be it an organization or individual, has an obligation to act for the benefit of society at large. From a business perspective, it can be defined as the consistent commitment to behave in an ethical manner and contribute to economic development while improving the quality of life of a company's employees and their families—as well as local communities, the environment, and society as a whole. The government has made CSR spending mandatory in 2013. This act goes about as prevention for organizations which are reluctant to contribute towards CSR exercises. Making it obligatory was likewise a stage towards perceiving the exercises which can be considered as a CSR action. Previously, the organizations use to invest in resources into activities which probably were not much gainful for the general public. The order has made the organizations increasingly dedicated towards social causes and there is likewise a commitment with the nearby networks which will guarantee comprehensive improvement over the long haul.

In most of the developed nations, CSR has potentially grown up in the last decade. All the stakeholders of the corporation are forcing it to be engaged in CSR issues

with the passage of time. The trend towards CSR and corporations growth is interlinked now. Most of the firms are now focusing on CSR to continuously improve their social environmental, economic, and financial performance. According to Lea (2002)socially responsible firms do all thing in favor of stakeholders. The firm not only fulfill the core business objectives but in addition to that they focus on society including workers, customers and other stakeholders by increasing welfare activities, providing funds and aids to needy persons, special donation to non-trading concerns, establishing free educational institutions and hospitals for the society. This not only brings augmentation to goodwill but also brings favorable results in financial statement like profit and loss statement, balance sheet, cash flow statement, increasing the financial worth of the company.

CSR Defined:

Corporate social responsibility (CSR) can be simply and broadly defined as the ethical role of the corporation in society. The aim of CSR is to increase long-term profits and shareholder trust through positive public relations and high ethical standards to reduce business and legal risk by taking responsibility for corporate actions. It isn't enough for companies to generate a profit and merely meet the letter of the law in their business operations. Today, many U.S. citizens expect them to generate a profit and conduct themselves in an ethical and socially responsible manner.

CSR strategies encourage the company to make a positive impact on the environment and stakeholders—that is, all of the parties who have a stake in the performance and output of the corporation. Stakeholders include the company's employees, unions, investors, suppliers, consumers, local and national governments, and communities that may be affected by corporate activities such as construction, manufacturing, and pollution. For some companies, CSR means manufacturing their products in a way that doesn't harm the environment and protects the consumer from potentially hazardous materials.

Importance:

- **Improved financial performance:** Studies suggest a correlation between socially responsible business practices and positive financial performance. One study showed that the stock prices of financially underperforming companies improved when they implemented corporate governance reforms.
- **Increased ability to attract and retain employees:** Companies that have a strong commitment to social responsibility often find it easier to recruit and retain talented and diverse employees. BSR studies show that employees are more likely to recommend an employer that is socially responsible, even in difficult labor markets. More than half the respondents in one survey indicated

they would seek another job if they found that their values conflicted with those of their employer.

- **Reduced operating costs:** Initiatives aimed at improving environmental performance also can result in lower costs through more efficient use of energy, less use of materials, and lower disposal costs.
- **Reduced regulatory oversight:** Federal and state agencies that oversee environmental and workplace regulations have formal programs that recognize and reward companies that have taken proactive measures to reduce adverse environmental & health effects. sa Enhanced brand image and reputation: Clients and job applicants often are drawn to brands and companies with socially responsible reputations.
- **Increased client loyalty:** Companies can build trust and a loyal client base through actions that increase client satisfaction and add to shareholder value. Studies show more consumers make purchase decisions based on factors other than price and quality. Companies that engage their stakeholders are better able to understand the needs of existing and potential clients.
- **Increased productivity and quality:** Company efforts to improve working conditions or increase employee involvement in decision-making often lead to high employee morale, increased productivity and a reduced error rate.

II. Review Of Literature :

- Corporate Social Responsibility is a global approach helps to contribute sustainable development of the society thorough socially, economically and environmentally which benefits to companies, shareholders, stakeholders and society as a whole. There are good number of studies on CSR and its impact on financial
- performance but results shows mixed opinion. In this regard, the researcher evident that,CSR has positive impact on Net profit of the company but doesn't have positive impact on EPS and ROA. He concludes that CSR has impact on profit of the company if company spend more towards CSR activities which results in sustainable development of the company as well as society (Bafna, A, 2017).The increased CSR performance leads to better access to finance. The author found that the firms which contributes more towards CSR activities have better access to financial resources and also helps in reducing capital constraint, better stakeholders' engagement and transparency and thus suggest to companies to develop good CSR strategies for long term sustainability of the companies (BeitingChenag, I. I, 2018). There is a positive impact on firms financial and non-financial performance of the selected BSE listed firms in India through stakeholders approach. He also identified that CSR increases public image,

publicity, good governance etc. and shareholding pattern didn't have significant impact on CSR activities (Krishnan. N, 2012). CSR impacts positively on financial performance of banks in Pakistan for the period 2008-12 by adopting EPS, ROA, ROC and Net profits as financial indicators. Further, suggest Government to motivate banks to spend more towards CSR which results in increasing profit and reputation for the longer period of time (M. Shoukat Malik, M.N. 2014). There is positive impact on CSR and financial performance like net profit and total assets of 15 companies listed in Karachi Stock Exchange for the period 2008-12. The author opined that CSR has positive impact on profitability and hence CSR has to be considered as an investment rather than expenditure which results in sustainability of business and also society (MaunazaKanwal, F. K. 2013). The actual spending of CSR by banking sector for the year 2013-14 of 19 banks. The overall results depicts that 19 banks had spent INR 535.85 crore on different CSR activities which is almost three times of amount spending preceding years which is the result of new companies Act, 2014 and therefore suggest banks to design their CSR policy and projects as its positive impact on overall performance rather than spending like donation and sponsorship kind (Namrata Singh, R. S. 2015). The disclosure of CSR activities results in improved financial performance, lower operating cost, enhanced brand image, increased sales, customer loyalty and greater use of renewable resources. The author highlighted that companies use CSR as a marketing tool guided by top management than social responsiveness and suggest companies to integrate CSR with business practices (RichaGautam, A. S. 2010). The relationship between CSR and organisational performance by taking ROA and Turnover as financial parameter. The results shows that CSR impacts positively on financial performance and hence suggest companies to follow policies prescribed by the new Companies Act, 2013 by forming separate department to work on CSR for long term success of the business (ShaistaSiddiq, S. J, 2014). There is positive relationship between CSR and financial performance relating to ROC, ROE, ROA, Net profit etc. and non-financial parameters like job satisfaction, employee commitment and internal reputation.

Research Methodology:

Meaning of Research Methodology

Research methodology is the systematic, theoretical analysis of the methods applied to a field of study or the theoretical analysis of the methods and principles associated with a branch of knowledge.

Research methodology is a way to systematically solve the research problem. It may by understand as a science of studying how research is done scientifically. It

includes methods and techniques to analyze and interpret what a researcherwants to do.

Period of Study:

Last four years (2014-2017) will be taken for period of study. In this period, the impact of CSR will be clearly illustrated to show improvement in financial performance due to involvement in CSR.

Objectives of the study :

1. To know the relationship between corporate social responsibility and financial performance of companies.
2. To study the impact of CSR on the financial performance of the companies.

Data Collection & Classification:

The study is purely based on Secondary sources of data collection. The data collected from Annual Reports, Sustainability and CSR report of the Companies, Director's Report,Notes to accounts, Schedule of accounts and Auditors report which was taken from Companies official website and from Moneycontrol.com website for the year 2014 to 2017.

Data analysis:

To find out the impact of CSR on financial performance of India's top 10 companies for sustainability and CSR, simple regression model is used in which Corporate Social Responsibility as dependent variable and PBT, ROCE, ROE, & ROA as independent variable.

Analysis & Findings

CSR Contribution of Top 10 performing CSR Companies in India(Rs. In crores)

The above table shows that all selected companies taken for the study are in an average meeting the prescribe 2% of their average net profit towards CSR, except TATA Power, Shree cements, Ultratech Cement and Mahindra & Mahindra for the financial year 2014 to 2017 which is the result of New Companies Act, 2013. The result shows that Ambuja Cement is highest contributor towards CSR activities that is, 3.94 crores for the year 2014-15 in an average

Sl. No.	Companies	Year	CSR CONTRIBUTION			Weighted Average	Ranks
			CSR Contribution	Average Profit	Percentage Contribution		
1.	Tata Chemicals	2014	12.76	436.07	2.93	2.28	IV
		2015	10.20	583.01	1.75		
		2016	13.97	616.80	2.26		
		2017	15.00	695.76	2.16		

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Sl. No.	Companies	Year	CSR CONTRIBUTION			Weighted Average	Ranks
			CSR Contribution	Average Profit	Percentage Contribution		
2.	Tata Steel	2014	212.72	6412.00	3.32	2.85	II
		2015	171.46	8412.82	2.03		
		2016	204.00	7518.00	2.71		
		2017	193.61	5789.77	3.35		
3.	Tata Power	2014	15.26	954.08	1.60	1.96	VII
		2015	31.31	1491.7	2.10		
		2016	29.01	1414.74	2.05		
		2017	22.79	1092.00	2.09		
4.	Shree cements	2014	11.57	940.65	1.23	1.69	IX
		2015	18.49	940.24	1.97		
		2016	14.75	948.96	1.55		
		2017	19.29	955.49	2.02		
5.	Reliance Industries	2014	712.00	21984	3.24	2.64	III
		2015	760.58	26687	2.85		
		2016	651.60	27846	2.34		
		2017	659.20	30948	2.13		
6.	Ultratech Cement	2014	48.03	2144.47	2.24	1.88	VIII
		2015	44.46	3076.00	1.45		
		2016	50.89	2827.00	1.80		
		2017	54.15	2668.00	2.03		
7.	Mahindra & Mahindra	2014	32.69	3758.35	0.87	1.75	X
		2015	83.24	4,168.89	2.00		
		2016	84.95	4,247.45	2.00		
		2017	83.57	3955.65	2.11		
8.	ACC	2014	23.36	1168.29	2.00	2.16	VI
		2015	13.19	591.57	2.23		
		2016	12.47	602.40	2.07		
		2017	22.00	924.41	2.33		
9	Ambuja Cement	2014	38.40	1496.36.	2.56	3.94	I
		2015	40.98	1731.96	2.37		
		2016	59.37	970.09	6.12		
		2017	58.79	1249.57	4.70		
10.	ITC	2014	106.63	8785.21	1.21	2.18	V

Sl. No.	Companies	Year	CSR CONTRIBUTION			Weighted Average	Ranks
			CSR Contribution	Average Profit	Percentage Contribution		
		2015	214.06	9607.73	2.28		
		2016	247.50	9,844.71	2.51		
		2017	275.96	10,200.90	2.71		

Impact of CSR on Return on Asset

Company	Variable	Coefficient	Std. Error	t – Ratio	p-Value	Result
TATA Chemicals	(Constant)	-0.945	13.310	-0.071	0.948	
	CSR	0.558	0.997	0.560	0.615	
TATA Steel	(Constant)	-0.945	13.310	-0.071	0.948	
	CSR	0.558	0.997	0.560	0.615	
TATA Power	(Constant)	-8.897	7.384	-1.205	0.315	
	CSR	0.414	0.313	1.326	0.277	
ements	(Constant)	29.126	10.482	2.779	0.069	*
	CSR	-1.161	0.748	-1.552	0.218	
Reliance Industries	(Constant)	7.710	1.233	6.253	0.008	***
	CSR	-0.003	0.002	-1.577	0.213	
Ultratech Cement	(Constant)	12.018	4.536	2.649	0.077	*
	CSR	-0.117	0.087	-1.340	0.273	
Mahindra & Mahindra	(Constant)	13.732	0.806	17.033	0.000	***
	CSR	-0.053	0.011	-4.958	0.016	
ACC Cement	(Constant)	0.139	2.444	0.057	0.960	
	CSR	0.336	0.133	2.536	0.127	
Ambuja Cement	(Constant)	16.607	6.005	2.766	0.110	
	CSR	-0.207	0.119	-1.736	0.225	
ITC	(Constant)	25.409	1.440	17.645	0.000	***
	CSR	-0.023	0.006	-3.796	0.032	**
	CSR	0.001	0.004	0.122	0.903	

The above result shows that Shree cement, Reliance Industries ,Ultratech Cement , Mahindra & Mahindra and ITC is having high positively impact of CSR on Return on Asset. When CSR contribution increases then Return on Asset also increases .It means CSR is positively related to Rturn on Asset .

Recommendation and suggestions

- This study indicates CSR is now considered as an investment not as expenditure therefore companies should invest in performing CSR because if firms do so they will get more financial benefits than what invested in CSR.
- In addition, companies should not only invest on CSR but also disclose its spending on CSR to all stakeholders that how, where and what amount they have invested in CSR. Companies invest a lot of money on advertisement to create a good image in the mind of customers but if they also invest a little portion of this amount on CSR can also build good image.
- Corporate social responsibility manages reputation by creating good image in the mind of customers, suppliers etc. Stakeholders will think that when a company is fulfilling its social responsibility then how it is possible that it will do anything bad for them, so their trust will enhance on company. Stakeholders trust will impact on company's profitability and success. Therefore, it was concluded that corporate social responsibility has positive impact on the financial performance of a firm.
- As with the passage of time competition between the firms is increasing and stakeholders can easily switch from one firm to another therefore firms should do more and more to attract stakeholders so that companies financial performance increase. Therefore, firms should spend on performing socially responsible activities

Results And Discussion

1. Ranking of CSR contribution among selected Top 10 performing CSR companies shows that Ambuja Cement ranks 1st which evident that, as their contribution towards CSR is increasing it results in positive impact on PBT and ROE. (Contributed 6.12% in the year 2016 which is more than prescribed CSR contribution of 2% under Companies Act, 2013). Whereas, Mahindra & Mahindra obtained last place in the ranking list with less contribution to CSR. (Contributed < or = 2%) ITC and ACC companies is having positive impact of CSR on Profit before tax (PBT) and overall shows that CSR impacts positively on PBT of selected companies. Shree cements, Reliance Industries Ltd, Ultratech Cement, Mahindra & Mahindra and ITC companies is having positive impact of CSR on Return on Asset (ROA) and overall result that depicts that CSR contribution is having positive impact on ROA of selected companies. Shree cements, Reliance Industries Ltd, Ultratech Cement, Mahindra & Mahindra, Ambuja cement and ITC companies is having positive impact of CSR on Return on equity (ROE) and overall result also depicts positive that CSR impacts positively on ROE of selected companies. 5.Shree

cements, Ultratech Cement, Mahindra & Mahindra and ITC companies is having positive impact of

Conclusion

This study was focused on, whether and under which circumstances firms' social responsibility hasinfluenced firms' financial performances in a positive way. Society oriented, environment oriented, workforce oriented, market oriented corporate social responsibility implemented by above companies has resulted in the increase in sales revenues and high return on capital the companies involved in CSR. According to evidence, public limited companies are highly socially responsible, however few private limited companies are also found engaged in CSR which improved their financial performance as well.This concept can be generalized for all other industries in the region and other developing countries as well .Because it is proven that the firms which are highly involved in CSR get better reputation, better sales, and better profitability besides customer satisfaction's-oriented firms mostly focused on their employees, their working hours, their proper salary and wages, hence reducing employee's turnover. CSR-oriented companies also concentrate on quality production strategies in competition to their competitors, thus fulfilling the market Oriented CSR.

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EFFECTIVENESS OF VARIOUS CHANNELS TO RECOVER NPAS IN SCHEDULED COMMERCIAL BANKS IN INDIA

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ABSTRACT :

Non-Performing Assets are now a days discussion theme in almost all forums of banking industry in current scenario. The Indian banking is currently facing a critical phase as far as NPAs of the scheduled commercials banks is concerned. Once the account becomes NPA there are various mechanisms that can be referred by the Banks/financial institutions to recover the dues from the borrowers within stipulated time period. The researchers have made an attempt to describe the mechanisms available the lender to recover the overdue amount. Mainly LokAdalats, DRTs and SARFAESI Act, 2002 are used by the banks to recover NPAs. Researches have referred data of ten years from 2008 to 2017.The researchers have made an attempt to analyze that how the recovery mechanisms are effective over a period of study to the scheduled commercial banks in India to recover dues from the borrowers. The researches have also made an attempt to provide bird view of the hurdles faced by the financial institutions in recovery along with latest reforms by the government.

Key Words: *Non-Performing Assets,LokAdalats, DRTs, SARFAESI Act.*

1. Introduction

India being a developing country and planning to become 5 trillion economy has to face on its way many reforms through the changing economic reforms. From the last couple of years government has come out with many changes in policies in orders to have ease of doing business and supporting measures to achieve the desired growth.

Banks are a very integral part of any economy and especially in country like India they have to play a key role in growth of the nation. Since independence nationalized banks are playing an effective role in implementation of the government policies. Banks mainly functions for collection of deposits and granting advances who are in need of the same in different sectors. But presently banks are doing more than just dealing with deposits and advances.

The size of advances granted by the banks have increased manifold so as the Non-Performing Assets. Newspapersnow a days are folded with the big sized NPA cases

along with notices related to legal action for small accounts even in smaller towns which is alarming for the policy makers to think.

Non-performing assets are increasing day by day for banks in India, it has reached to double digit by percentage in last couple of years. There are various measures or we can say mechanisms available to the lender financial institutions for recovery some of them are LokAdalats, SARFAESI Act,2002, DRTs, Insolvency and Bankruptcy Code 2016 etc. The researches have focused mainly on first three tools for study that how they have helped in recovery in scheduled commercial Banks for period of ten years up to 2017 as there is limited scope for having data for IBC 2016.

Researches have made an effort to analyze the recovery received by each of the three mechanisms and also altogether in combination also. The information have been made analyzed in amount and in percentage also in order to have better understanding.

1.1 Non-Performing Assets:

With a view to moving towards international best practices and to ensure greater transparency, it has been decided to adopt the "90 days" overdue norm for identification of NPAs, from the year ending March 31, 2004. Accordingly, with effect from March 31, 2004, a non performing asset (NPA) shall be a loan or advance where-

I. Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a term loan,

II. The account remains 'out of order'(An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days.) in respect of an overdraft/ Cash Credit (CC/OD),

III. The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,

IV. The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops,

V. The installment of principal or interest thereon remains overdue for one crop season for long duration crops,

VI. The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitization transaction undertaken in terms of RBI guidelines on securitization dated February 1, 2006,

VII. In respect of derivative transactions, the overdue receivables representing positive market-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date of payment.

1.2 Asset Classification (Categories of NPAs)

RBI has classified non-performing assets into three broad categories on the bases of time for which the assets were unable to generate the income for banks:

1.2.1Sub-standard Asset: An assets or loan, which has remained non- performing for a period less than or equal to 12 months are called sub-standard assets (W.e.f. 2005 March 31).

1.2.2Doubtful Asset:An asset, which remained in the sub-standard category for a period of 12 months are called doubtful assets (With effect from March 31, 2005).

1.2.3Loss Asset: An asset called loss asset, which passed from substandard and doubtful categories and after inspected by all the authority and found that there is no amount will be recovered on such a loan.

- **Gross Advances:** Gross advances are amount ofall loans and advances (inclusive of refinance had received) excluding written off advances and rediscounted bills.
- **Gross NPA:** Gross NPAs are the amount available in the borrower account in record of bank exclusive of interest, which already recorded and not debited, to the borrower's bankaccount.
- **Net NPA:** Net NPA mean sum of interest suspense account, claims received and held by DICGC and ECGC, partial payment received (Suspense Account) and provision made deducted from the Gross NPAs.

1.3 Recovery Mechanism :

Presently in India mainly following stated recovery mechanisms are available for recovery of stressed assets:-

1.3.1 LokAdalat:

LokAdalat is one of the alternative disputeredressal mechanisms, where disputes/cases pending in the court of law or at pre-litigation stage are settled/compromised amicably. LokAdalats have been given statutory status under the Legal Services Authorities Act, 1987.

Reserve Bank of India has issued guidelines vide RBI notificationLEG.BC.114/09.06.02/2000-01 dated May 2, 2001 for implementation of the LokAdalats as follows:-

1) The Monetary celling of cases to be referred to LokAdalats, organized by Civil Courts now is Rs.20.00 Lakhs as per RBI notification dated 03.08.2004.

2) The scheme includes all NPA accounts, both suit filed and non-suit filed accounts, which are in 'doubtful' and 'loss' category, with outstanding balance of Rs.20.00 lakhs. No cutoff date is suggested since LokAdalat is an on-going process.

1.3.2 DRTs:

The Debt recovery Tribunals (DRTs) have been enacted under the provisions of The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 by the government of India. The Debt Recovery Tribunals generally entertains application from banks and financial institutions where dues amounts more than 10 lakh rupees.

1.3.3 SARFARSI Act:

"The Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002". The Act extends to the whole of India including state of J & K with retrospective effective from 21-06-2002. The Act enables the secured creditors to rallies the long term assets, manage problems of liquidity, asset-liability mismatch and recovery of their dues stuck in the non-performing assets by exercising the powers under section 13(4) without the intervention of the Court or Tribunal. The Act empowers the secured creditors to take possession of the securities and sell them by adopting suitable measures for recovery or reconstruction as per the provisions of the Act. The act was amended by "Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016.

1.3.4 State Recovery Act

Banks can also recover their NPAs under the respective State Recovery Acts with minimum expenses in respect of lending programmes especially to those which are closely inter-linked with the objectives of the state governments. The state recovery acts were enacted to provide for recovery of commercial bank loans as arrears of land revenue as long as loans were given to schemes notified by the Government as "State Sponsored Schemes"

1.3.5 Insolvency and bankruptcy Code, 2016 (28.05.2016)

"An Act to consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound mannerfor maximization of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stake holders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental there to."

2. Objectives

- To know the effectiveness of recovery mechanisms for non - performing assets of Scheduled Commercial Banks
- To know the latest reforms by the government for effective recovery.

3. Research Methodology

This section mentioned procedure for describing, analyzing, interpreting and solving a research problem for further action and implementation. For this study on Non-performing assets and Recovery mechanisms for all the scheduled commercial banks are considered. Here researchers have used descriptive research for the analysis data for the research conclusion by using secondary sources of data; those were collected from reserve bank of India database and other banks publications during 2007-08 to 2016-17. Various other components of methods are given below.

- Sampling Unit: Banks
- Sample Size: All Scheduled commercial Banks
- Sources of Data: Secondary Sources of Data.
- Statistical Tool- ANOVA, Regression by using SPSS and Excel.

3.1 Measures:

Study was focus on non-performing assets and recovery mechanism for scheduled commercial banks in India. For reaching out to the conclusion various financial indicatorsneeded to study which are non-performing assets and Recovery have been used to determine the trends of recovery and non-performing assets, Advances, Non-performing assets toAdvances Ratio, Recovery Percentage, ANOVA and Regression methods have been applied to test the hypothesis by using SPSS and MS Excel.

4. Literature Review

ChandanChatterjee, Jeet Mukherjee and Dr.Ratan Das (2012)Scheduled commercial banks of India related Non-performing Assets and recovery of NPAs have been studied by the authors. The study has been concluded with remarks that DRTs and SARFAESI Acts are more efficient measures of recovery but NPAs are still rising continuously.Suresh Kumar (2014) studied key reasons accountable for the high NPAs and trends in NPAs and recovery of NPAs via various channels for scheduled commercial banks in India. During 2000-2001 NPA to advances measure rising till 2008-09 and then after it has been moving upward till 2012-13. SARFAESI Act was found to be an efficient tool for recovery. Mrs. Chandra Shraddha& Dr. Ajay Jain (2016) studied five major public sector banks in India namely State bank of India, Canara bank, Central bank of India, Bank of Baroda and Punjab National Bank and related process and impact of SARFASEI Act 2002 on recovery of the non-

performing assets. This study wascombination of qualitative and quantitative approach. All data collected from RBI publication. Recovery through SARFASEI Act has been found to me more than DRTs and Lokadalats.U.Padmavathi, N.Srivani, B.Madhavi (2017)they focused on finding reasons for rising Non-Performing Assets over the years whether environmental, or systematic, banks are referring various mechanisms to recover stressed bank assets. Result of this study says that on an average 15% of the stressed assets of banks arerecovered by way of various recovery channels during 2013-2016.Nilesh P. Movalia. Viralkumar M. Shilu(2018), the study measured NPAs and recovery mechanism with the help of various indicators. Trends of Ratio of NPAs of public sector, Private Sector and Foreign Banks were upward moving. They found that Public sector banks are having average NPA ratio of 6.77% which is more than the Private Sector banks (2.47%) and Foreign Banks (3.66%) during 2012-13 to 2016-17.

5. Analysis and Interpretation

Here data of all the Scheduled commercial Banks has been collected from secondary sources of RBI statistics and banks published report for the period 2007-08 to 2016-17. Data analysis includes statistics for recovery through LokAdalats, DRTs and SARFAESI ACT.

5.1 LokAdalats:

As described in below table LokAdalats have been referred by the many lenders and amount recovered throughout the study period:-

Table 1LokAdalat (Amount in crore)

Year	No. of cases referred	Amount involved	Amount recovered	Recovered Percentage
2008	186535	2142.00	176.00	8.22
2009	548308	4023.00	96.00	2.39
2010	778833	7235.00	112.00	1.55
2011	616018	5254.00	151.00	2.87
2012	476073	1700.00	200.00	11.76
2013	840691	6600.00	400.00	6.06
2014	1636957	23200.00	1400.00	6.03
2015	2958313	31000.00	1000.00	3.23
2016	4456634	72000.00	3200.00	4.44
2017	2152895	105787.07	3803.33	3.60
Source:STRBI_Table_No._19___NPAs_of_Scheduled_Commercial_Banks_Recovered_through_Various_Channels 2012-13 to 2016-17 and Report on Trend and Progress of Banking in India 2007-08 to 2011-12				

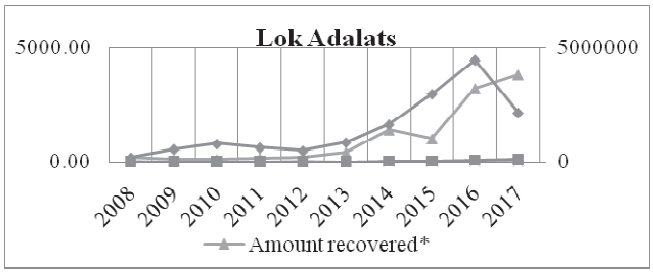

Figure 1LokAdalat Recovery:-

LokAdalats in India as recovery mechanism has a mixed response for the ten years of study. The amount recovered is very low it is in two digits percentage wise only in 2002 and in all other years it is below 10%.The amount involved in the recovery for LokAdalats have not shown significant growth and amount recovered is also not that much impressive. It may be because of nature of proceedings with LokAdalats and consequences, Number of cases referred to LokAdalats have shown a rising trend except last year for the study period. Generally cases related to Government Sponsored Schemes are referred to LokAdalats.

5.2 DRTs:

The below mentioned tables depicts number of case referred to DRTs and amount involved along with recovery amount with percentage.

Table 1 DRTs (Amount in crore)

Year	No. of cases referred	Amount involved	Amount recovered	Recovered Percentage
2008	3728	5819.00	3020.00	51.90
2009	2004	4130.00	3348.00	81.07
2010	6019	9797.00	3133.00	31.98
2011	12872	14092.00	3930.00	27.89
2012	13365	24100.00	4100.00	17.01
2013	13408	31000.00	4400.00	14.19
2014	28258	55300.00	5300.00	9.58
2015	22004	60400.00	4200.00	6.95
2016	24537	69300.00	6400.00	9.24
2017	28902	67089.42	16393.08	24.43
Source:STRBI_Table_No._19___NPAs_of_Scheduled_Commercial_Banks_Recovered_through_Various_Channels 2012-13 to 2016-17 and Report on Trend and Progress of Banking in India 2007-08 to 2011-12				

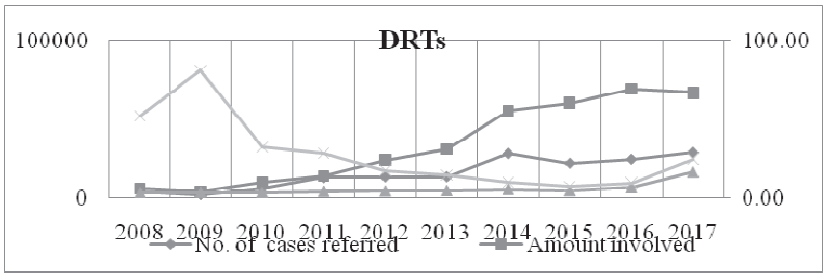

Figure 2 DRTs Recovery

Debt Recovery Tribunals have a very high amount involved for recovery, during starting phase of the study period DRTs were effective tool for recovery but it has marginally declined up to 2016. Amount recovered in 2017 is as high as around ¼ of the amount involved.Numbers of cases referred to DRTs have not risen as in commensurate with the amount involved, which is due to high value amount of the cases referred. Amount recovered with the help of DRTs have more or less remained same, we can infer from the data shown that DRTs have not been that much effective as expected.

5.3 SARFAESI Act

Below Table-3 and Figure-3 are regarding amount involved for recovery under SARFAESI Act, 2002 for the study period of 10 years.

Table 2 SARFAESI Act (Amount in crore)

Year	No. of cases referred	Amount involved	Amount recovered	Recovered Percentage
2008	83942	7263.00	4429.00	60.980
2009	61760	12068.00	3982.00	32.996
2010	78366	14249.00	4269.00	29.960
2011	118642	30604.00	11561.00	37.776
2012	140991	35300.00	10100.00	28.612
2013	190537	68100.00	18500.00	27.166
2014	1,94,707	95300.00	25300.00	26.548
2015	175355	156800.00	25600.00	16.327
2016	173582	80100.00	13200.00	16.479
2017	80076	113099.67	7758.00	6.859
Source:STRBI_Table_No._19___NPAs_of_Scheduled_Commercial_Banks_Recovered_through_Various_Channels 2012-13 to 2016-17 and Report on Trend and Progress of Banking in India 2007-08 to 2011-12				

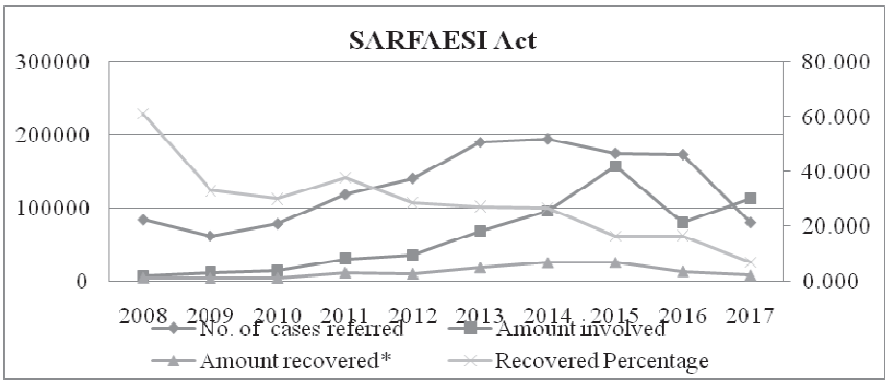

Figure 3 SARFAESI Act Recovery

From the above mentioned table and chart of recovery made under SARFAESI Act, it has been seen that amount recovered is decreasing almost year by year for the study period of 10 years from 2008 to 2017. It can be interpreted that SARFAESI is not yielding the desired result as it is always expected to have better recovery due to its easy implementation and powers executed.

Amount involved for the cases filed under SARFAESI Act, 2002 have risen due to the study period for the scheduled commercial Banks and Number of cases referred have also risen for the ten year study period. SARFAESI have been a helpful for the cases up to some collateral based finance but up to some extent and then after they are to be generally referred to DRTs.

Overall Recovery (Under LokAdalats, DRTs and SARFAESI Act, 2002)

The below mentioned describes percentage wide recovery made by all the three channels to gather for the study period

Table 3 Performance of the all three channels of recovery together (in Percentage)

Year	LokAdalat	DRTs	SARFAESI Act
2008	8.22	51.90	60.98
2009	2.39	81.07	33.00
2010	1.55	31.98	29.96
2011	2.87	27.89	37.78
2012	11.76	17.01	28.61
2013	6.06	14.19	27.17
2014	6.03	9.58	26.55
2015	3.23	6.95	16.33
2016	4.44	9.24	16.48
2017	3.60	24.43	6.86
Source:STRBI_Table_No._19___NPAs_of_Scheduled_Commercial_Banks_Recovered_through_Various_Channels 2012-13 to 2016-17 and Report on Trend and Progress of Banking in India 2007-08 to 2011-12			

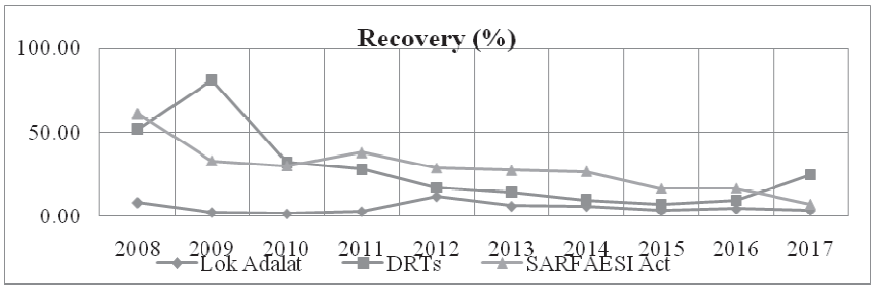

Figure 4 Overall Recovery

Looking the above chart of recovery which clearly mentioned that over a period of time recovery percentage is decreasing year by year. DRTs and SARFAESI were better than other during the period of study. After the year 2012 onwards recovery were decreasing substantially. It might be reduced because the rate of increase in non-performing assets was significantly higher than the rate at which recovery happened.

From figure 4 of overall recovery with the help of 3 recovery mechanisms namely Lok-Adalats, DRTs and SARFAESI Act, 2002 have shown a declining trend which implies that altogether these mechanisms have failed to generate the expected output and immediate reforms are required.

Table 4 Performance of the all three channels of recovery to gather (In crore)

Year	Recovery Channels			Total Recovered Amount
	LokAdalats	DRTs	SARFAESI Act	
2007-08	176.00	3020.00	4429.00	7625.00
2008-09	96.00	3348.00	3982.00	7426.00
2009-10	112.00	3133.00	4269.00	7514.00
2010-11	151.00	3930.00	11561.00	15642.00
2011-12	200.00	4100.00	10100.00	14400.00
2012-13	400.00	4400.00	18500.00	23300.00
2013-14	1400.00	5300.00	25300.00	32000.00
2014-15	1000.00	4200.00	25600.00	30800.00
2015-16	3200.00	6400.00	13200.00	22800.00
2016-17	3803.33	16393.08	7758.00	27954.40
Source:STRBI_Table_No._19___NPAs_of_Scheduled_Commercial_Banks_Recovered_through_Various_Channels 2012-13 to 2016-17 and Report on Trend and Progress of Banking in India 2007-08 to 2011-12				

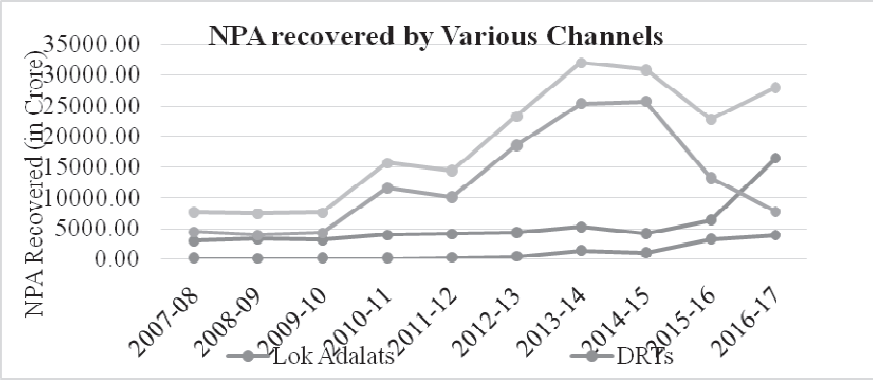

Figure 5 Performance of the all three channels of recovery to gather (In crore)

From the above table and chart we can say that SARFAESI Act has been the widely used tool for recovery used by the Scheduled Commercial banks as recovery is also effective under SARFAESI Act followed by DRT and Loa Adalats are also least helpful. There is one thing to be kept in mind that amount involved in LokAdalats is also minimal as compared to other two channels. The researched have here have formed Hypothesis one (H_0) that there is no significant difference in recovery of NPAs among the recovery channels for the study period of 10 years starting from 2008.

$H_{01:}$ There is no significance difference in recovery of NPAs among the recovery channels.

Table 5 ANOVA (Recovery of NPAs)

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	663593923	2	331796961.5	11.6875771	0.000221	3.354131
Within Groups	766499154.1	27	28388857.56			
Total	1430093077	29				

As per table-6Value F crit. is 3.354 which is less than F calculated value which means that null hypothesis is rejected. Therefore, there is significance difference in recovery of NPAs among the recovery channels.

H02: There is no significance relation between NPAs ratio and recovery percentage of NPA among the Scheduled Commercial banks.

Table 7 Model Summary Relation between NPAs Ratio and Percentage of Recovery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.729[a]	.532	.474	9.2264710
a. Predictors: (Constant), NPA ratio				

Table 8Coefficientsa (Relation between NPAs Ratio and Percentage of Recovery)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	36.537	5.115		7.143	.000
	nparatio	-2.788	.925	-.729	-3.016	.017
a. Dependent Variable: over allrecovery						

Predictors in the Model Recovery

$\hat{Y}_{(Recovery)} = 36.53 + (-2.788)_{NPAs}$

Above regression model explain that Constant is 36.53. One percent increase in NPAs leads to -2.788 percent decreases in recovery based on this regression model. Here R equal to 0.7.29 and R-Square is 0.532 between recovery and non-performing assets so we can say that there is high relation between the variables. It also logical that when non-performing assets is increase then banks has to speed up recovery of the loan by the same way by using different recovery tools (Nilesh P. Movalia, 2019).

6. Findings

The researchers from the above study have some of the findings from the available data from RBI from the study period of 10 years fro, 2008 to 2017:-

LokAdalats are being used by the Banks and Financial Institutions to avoid lengthy process with legal authorities like courts and forums and LokAdalats have helped up to some extent by recovery of around 5% percentages of the amount involved which is not satisfactory.

DRTs have yielded good recovery in the initial years of study period by recovering average 27.42% of the amount involved for the cases filed. This is very positive aspects of the recovery Mechanism.

SARFAESI Act, 2002 is also very much effective recovery mechanism for NPA assets. SARFAESI have recovered 28.37% of the total amount involved for the study period from 2008 to 2017 for the scheduled commercial banks in India.

To sum up the finding of the study it can be described that DRTs and SARFAESI Act,2002 have been very much effective recovery mechanism for the study period and data made available with RBI.

7. Suggestions:

The researchers have made a genuine attempt to justify the title and study the effective mechanism for NPA recovery but there is always a scope for further developments and from our experience and knowledge following are suggestions:-

LokAdalats may be given some strict procedural guidelines to follow for the borrowers and Government policies are also to be reviewed from time to time for better results.

Insolvency and Bankruptcy Code 2016 has been not included in study which is not included due to unavailability of required data in future it should be incorporated for the study.

We can forget to mention over here one more recovery mechanism i.e. N. I Act, which is also a very effective tool for recovery of NPAs.

Lastly Bank and financial Institutions to be vested with more powers for recovery and less government intervention may also yield positive outputs.

8. Conclusion

To conclude the short study by the researches, effectiveness of recovery mechanisms for NPA accounts by scheduled commercial Banks in India from the data by reserve Bank of India, it can be inferred that DRTs and SARFAESI Act, 2002 are very much helpful but along with them due to latest developments for advances schemes and increasing frauds also alternative mechanisms/ ways are immediately required to be created by the policy makes to strengthen Banking Industry.

LokAdalats to be vested with more powers to increase its effectiveness and simultaneously other mechanisms to be also used for the more chances of recovery.Scheduled commercial Banks in India are more dependent on recovery mechanism but along with better appraisal system at the time of sanction may also keep the NPA in control from root level.

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Abbreviation

- DICGC : Deposit Insurance and Credit Guarantee Corporation
- DRT : Debts Recovery Tribunals
- ECGC : Export Credit Guarantee Corporation of India
- NPA : Non-Performing Assets
- RBI : Reserve Bank of India
- SARFAESI Act: Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act

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LITERATURE REVIEW ON ANALYTICAL STUDY OF RELATIONSHIP OF CASH HOLDING AND OTHER COMPONENTS OF WORKING CAPITAL FOR MSMES SUPPORTING DEFENCE INDIGENISATION

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ABSTRACT

This paper presentsliterature review on management of working capital by MSMEs. A critical analysis is done on the available literature to find out the gaps defining the problem statement related to analysis of different components of working capital with cash holding. As is widely known working capital comprises of four basic components viz., Cash, Inventory, accounts receivables and accounts payables. The cash holding assumes greater importance in case of MSMEs. This is because of the fact that MSMEs have to balance between their order books and availability of liquid assets to meet the inventory requirements for honouring the order books against the challenges in managing the receivables and payables. The paper brings out research methodologies adopted by previous researcherswho did research on the topic of working capital management followed by various MSMEs across the globe. The literature surveyed was analysed to follow the relationship studied between various components of working capital specifically in defining the dependent and independent variables. The gap was analysed with respect to definition of cash as the dependent variable as well as to identify research being undertaken on the MSMEs supporting the defence indigenisation in India.

Keywords: *Working Capital, Cash holding, Inventory, Accounts Receivables, Indigenisation, Expression of Interest, Acceptance of Necessity, L1 Lowest Bidder, EoI Expression of Interest, 4th Degree Polynomial, Coefficient of Correlation*

1. Introduction

Managing the working capital has always been an area of interest for many researchers. The working capital management classically involves managing the four components viz., cash, inventory, accounts receivable and accounts payables. Managing these components individually is crucial; however, their basic characteristics of interdependency and quick transformation from one form to other makes the task quite complex. Policies developed for management of one component may have positive or negative impact on the other. The task becomes further

complicated in case of the MSMEs supporting the process of defence indigenization. Indigenisation process requires the firms to respond to the Expression of Interest (EoI) floated by the defence organisations to understand the requirements. Devoid of accurate specifications and task involving manufacturing the form-fit-compatible substitution of the existing equipment of major assembly requires investments by the MSMEs at an early stage without having the guarantee to confirmation of order. Thus, investments done during the 'EoI' stage get converted into sunk cost. Further, the MSMEs have to tread a very balanced path as the inventory buildup in case of non confirmation of order by defence may not be economically viable to be used for commercial products resulting in 'cash holding' assuming greater importance. The authors therefore focuse on analytically studying the relationship of cash holding with other components of working capital for MSMEs supporting defence indigenisation.

2. Literature Review on Importance of Working Capital Management

Deloof (2003) based his research on the statistical data put forth by National Bank of Belgium which brought out that the receivables, inventories and account payables constitute 17 %, 10 % and 13 % of the total assets of the Belgium firms. In the research, author investigates the relationship between cash conversion cycle and profitability. The correlation analysis indicates manifestation of negative correlation between gross operating income and the measures of working capital management. The regression analysis of accounts receivable, number of day's inventories, number of day's accounts payables indicates negative coefficient which according to author entails that an increase in number of daysof accounts receivable, inventories and accounts payable by a day is associated with the decrease in gross operating profit. The cash conversion cycle also manifest negative coefficient but is not significant. The author concludes that firms can create value for their share holders by reducing the number of day's accounts receivables and inventories to a reasonable minimum. The author argues that the negative relation between the accounts payable and profitability can be attributed to the fact that less profitable firms wait longer to pay their bills.

Padachi (2006) in his research emphasised the need for well designed implementation of Working Capital Management for creation of firm's value. The author analysed five years of data (1998 – 2003) of 58 Small Manufacturing Industries of Mauritius. His research aims in analysing the relationship between components of Working Capital Management (WCM) and Return on Assets (ROA). The analysis led to the findings that Return on Total assets manifest positive correlation with Operating Profit Margin and capital turnover ratio and negative correlation with measures of WCM except for CCC. In his study the author has empirically proved that high investment in inventories and Cash Receivables is

associated with lower profitability. One of the important aspects that have been deliberated up on by the author is the importance of cash as an indicator of continual financial health of the firm.

Teruel et al. (2007) undertook empirical research for study the effects of working capital management on the profitability of 8,872 Spanish Small and Medium Sized firms. Authors use Return on Assets (ROA) the measure of profitability as dependent variable. The correlation analysis results by the authors indicate significant negative correlation between the return on assets and the number of days of accounts receivable, days of inventory and days of accounts payable and the cash conversion cycle.

Zainudin (2008) in his research has postulated the importance of credit collection period in improving the performance of the firm. The researcher has studied the average collection period of 279 small and medium sized manufacturing companies in Malaysia over a period of four years (1999-2002). According to the author the spearman's rank correlation analysis indicates weak negative correlation between ACP and operating profit to Total Asset Ratio. The author further based on analysis of the results states that there is weak negative correlation between ACP and size (total assets) of the firm. The author concludes that firms that collect their debt faster are poised to generate better returns.

Ramachandran (2009) analysed the relationship between Working Capital Management Efficiency (WCME) and Earnings Before Interest and Taxes (EBIT) of paper industry in India during the period from 1997 to 2005. The regression analysis indicates negative relationship between EBIT and Accounts Payable Days. However, the association of EBIT and WCM efficiency measures, Cash Conversion Cycle, Accounts Receivables Days and Inventory Days has an insignificant one to one relationship. The authors on analysing the results conclude that firms with less financial assets and financial debt ratio earned more EBIT by decreasing Cash Conversion Cycle.

Mohamad (2010) in his research gives empirical evidence on the Working Capital Management and its effects on the performance of 172 Malaysian listed firms. The author uses correlation coupled with multiple regression analysis in establishing the relation between the individual dependent variable with five independent variables. From the empirical results the author concludes (i) Tobin Q manifest positive correlation with Current Asset to total asset ratio, Current liabilities to total asset ratio and debt to asset ratio and negative correlation with Cash Conversion Cycle, (ii) Return on Assets exhibits positive correlation with Current Assets to Current Liability Ratio and Current Asset to total asset ratio, while it has negative correlation with Cash Conversion Cycle, Current liabilities to total asset ratio and debt to asset ratio, (iii) return on invested capital manifests positive correlation with Current

Assets to Current Liability Ratio, Current Asset to total asset ratio, Current liabilities to total asset ratio and negative correlation with Cash Conversion Cycle and debt to asset ratio. The author further undertakes regression analysis and establishes the fact that any increase in TobinQ, Return on Assets, and return on invested capital is result of reduced Cash Conversion Cycle indicating that the firms that have shorter Cash Conversion Cycle are most profitable firms. The author concludes that the study highlights the importance of managing working capital requirements to ensure an improvement in firm's market value and profitability.

Karaduman et, al., (2010) researched the impact of working capital management on the selected companies in Istanbul. In their analysis the authors considered Return on Asset (ROA) as measure of profitability and defined it as dependent variable. The ROA is manifest negative correlation with all the working capital components. The authors conclude that the firms ROA increases by shortening the number of day's accounts receivable, accounts payable and inventory. In short reducing the CCC improves the ROA.

Bellouma (2011) studied the effects of working capital on the profitability of the firms. The Pearson correlation analysis by the author indicates negative relationship between day's sales inventory and profitability and positive relationship between the cash conversion cycle and profitability. The regression analysis by the author brings out negative relationship between days payable outstanding, days sales outstanding, cash conversion cycle and profitability. Thus, the author concludes that aggressive working capital management which reduces the cash conversion cycle improves the profitability.

Sunday (2011), emphasises the need for effective Working Capital Management within Small and Medium Scale Enterprises (SMEs) for maintaining solvency and liquidity. However, according to the author the SMEs do not give due diligence in managing the WC.

Bashar (2012) in his research attempted to evaluate the problems associated in managing working capital in Small Scale Industry (SSI). The scope was limited to SSI in Rajasthan area. The author brings out that the major component of working capital comprised of inventories followed by receivables. According to author inventory constitutes 50 % of the current assets. The current asset ratio of SSI hovered at 3.44 to 3.58 compelling author to conclude that the working capital management is suboptimal as the current asset turnover ratio is indicative of how quickly the assets are turned over. The author concludes that the SSI is marred with financing for the current assets.

Gill et al. (2012) studied 166 firms in Canada to find the determinants of cash holding. On undertaking bivariate correlation analysisthe authors' conclude that the

corporate cash holdings of Canadian firms is positively correlated with the cash flow, leverage, board size, CEO duality, and industry dummy and negatively correlated with net working capital. They further state that their findings also indicate positive correlation of corporate cash holdings with market-to-book ratio and net working capital, and negative correlation with firm size in the Canadian manufacturing industry. As regards the service industry the authors conclude that corporate cash holdings manifest positive correlation with leverage and the CEO duality, and negative correlation with net working capital. Authors use Ordinary Least Square regression analysis to establish relationship between variables. The findings reveal that there is positive relationship between (i) Cash Flow and Cash, (ii) Leverage and Cash, (iii) Board Size and Cash, and (iv) CEO Duality and Cash. The authors thus conclude that increase in cash flow, leverage, large board size, and CEO duality results in increasing cash holdings in the Canadian firms. The authors further state that Negative relationships are manifested between (i) Market to Book Ratio and Cash, (ii) Net Working Capital and Cash, and (iii) Firm Size and Cash. The authors therefore conclude that increase in market-to-book ratio, net working capital, and firm size reduces cash holdings in the Canadian firms. The authors further state that there is no significant relationship between Dividend Paid, Industry Dummy, and Cash.

Islam (2012) researched the determinants of cash holding of manufacturing firms by studying sample of 66 manufacturing firms of Bangladesh for period from 2006 to 2010. The main objective selected by the author for research is to identify variables those influence firms cash holding polices. The author defined cash held by firm as dependent variable. The regression analysis indicates Net working capital; Tobin's Q and Volatility of cash flow do not have significant relationship with Cash held by the firms. Current asset, Operating income, cash flow, Size, Short term Debt, Total Debt, Intangible asset, Leverage ratio, net cash and tangibility ratio manifest significant relationship with cash held by the manufacturing firms.

Quayyum (2012), in his research paper analyses the relationship between working capital management and profitability of manufacturing corporations' enlisted with the Dhaka Stock exchange. The author uses Return on Assets (ROA) and Net Profit Margin as the measures of profitability and these are taken as dependent variables. The independent variables used by the author are (i) Receivable Collection Period (RCP), (ii) Inventory Turnover Period (ITP), (iii) Payable Deferral Period (PDP), (iv) Cash Conversion Cycle (CCC), (v) Current Ratio (CR), and (vi) Quick Ratio (QR). On analysing the result the author concludes that for cement industry ROA and NPM are negatively correlated with CCC. Similarly the inventory turnover period also manifests negative relationship with ROA and NPM for cement industry. Current ratio, quick ratio and payment deferred period exhibit positive relationship

with ROA however insignificant relationship is manifested with NPM. In case of food industry the author establishes negative relationship between CCC and ROA as well as Inventory Turnover Period and NPM while positive relationship between PDP and ROA as well as CCC and QR with NPM. For the pharmaceutical industry the research establishes negative relationship between (i) ROA and CCC, (ii) ROA and RCP, (iii) NPM and CCC, while positive relationship between (i) ROA and PDP, (ii) ROA and QR, and (iii) NPM and QR. For the engineering industry the research establishes negative relationship between (i) ROA and CCC, (ii) ROA and RCP, (iii) NPM and CCC and (iv) NPM and RCP, while positive relationship between (i) ROA and CR (ii) ROA and QR, and (iii) NPM and CR. Thus the ROA has negative relationship with CCC for all the four sectors and NPM also has negative relationship with CCC except for food industry. The author thus concludes that working capital management has significant effect on the profitability of the firms and amongst all components the CCC is most significant factor.

Sabri (2012) analysed the difference in profitability of the firms with low cash conversion cycle vis-à-vis the ones having high cash conversion cycle of 45 Jordanian industrial companies listed at Amman Stock Exchange. The authors use Cash Conversion Cycle as the measure of Working Capital. Authors use t-test and Mann-Whitney – U test to test the hypotheses. The authors conclude (i) the profitability has inverse relationship with Cash Conversion Cycle indicating more efficient way of managing the cash flow since it rotates the working capital several times., (ii) The profitability of companies with low accounts receivables was higher than the companies with high accounts account receivables thus indicating negative relationship between profitability and accounts receivables., (iii) The authors justify the negative relationship between accounts payable and profitability by stating the fact that delayed payments contribute towards exposing the firms to fine of delay causing aspirations on the credibility and also the companies may loss on the cash discounts thereby reducing the profits. The authors in their research conclude that the companies having low inventory have more profitability as compared to the companies having high inventory.

Silva (2012) researched eight factors those according to author are the likely factors associated with the profitability and growth of Small and Medium Sized enterprises (SMEs) viz., (i) Leverage, (ii) Liquidity, (iii) Education, (iv) Industry Performance, (v) Low Cost, (vi) Differentiation, (vii) Product focus, (viii) Customer Focus. The sample for study was 134 SMEs aged five years or more operating in different sectors. The authors relied on primary data collection by conducting face to face interviews. Author used structural equation modeling. The authors conclude that (i) Profitability is associated with positive relationship with low debt, effective liquidity management, operation in a profitable sector, avoidance of low cost approach, use of

differentiation and avoidance of a customer focus, (ii) Growth is associated with positive relationship with effective liquidity management and differentiation.

Vahid et al. (2012) researched impact of working capital management on profitability of 28 firms from Iran for a period from 2005 to 2009. The authors used the ratio of total current liabilities to total assets as proxy to measure financing policy and ratio of total current assets to total assets as proxy to measure investment policy. To measure the effect of working capital management on profitability the authors relied on the return on assets and Tobins Q as the measure of firm's value. On regression analysis the author state that the negative coefficient of Aggressive Investment Policy variable indicates that the relationship between conservative investment policy and firms profitability is negative.Therefore the authors conclude that the firms which follow conservative investment policies will have negative impact on the profitability while the firms which follow aggressive investment policies will have positive impact. This according to the authors can enhance the firm's value by adopting aggressive investment policies. The negative coefficients of Aggressive Financing Policy according to the authors indicate that aggressive financing policy and firm'sprofitability are negatively related. Thus, authors conclude that using more current liabilities to finance firm activities may negatively impact the profitability. Finally the authors state that following conservative financing policy by using more long term debt to finance the firm operating activities has positive effect on firm's profitability and value.

Vural et al. (2012) researched the impact of working capital management on the performance of 75 manufacturing firms in Turkey for period from 2002 to 2009. The measure of firm's performances used in the research by the authors was Gross operating profit which was defined as dependent variables. To measure the firms value authors use Tobin Q which is ratio of market value plus book value of debt and total assets. The authors also use firm size and leverage as control variables. To arrive at the relationship between various independent variables and the dependent variables the authors use correlation and regression analysis. The correlation analysis indicate that the gross operating profit manifest significant negatively relation with accounts receivables and cash conversion cycle. The Tobin Q manifests significant negative relation with leverage. Which is further amplified in regression analysis. From the results the authors conclude that the profitability of the firm can be improved by reducing the collection period thereby shortening the cash conversion cycle. Whereas the cash conversion cycle has positive relationship between the firms value indicating if we increase the cash conversion cycle then the value of the firm can be increased.

Addae (2013) analysed effect of working capital management on the performance of 125 non listed Ghanaian firms for a period from 2004 to 2009. The author used

Gross Profit to total assets (GPA) as the dependent ratio. The correlation analysis by the author indicates negative correlation of GPA with Accounts receivables, inventory, Accounts payables and Cash Conversion Cycle. The authors interpret this analysis by stating that the firm can increase its profit by early payments to the suppliers and early collection of the payments from customers with reduced stock. On further assessment author state that the regression analysis indicates that GPA is reduced by increasing the number of days of accounts receivables, number of days of accountspayables and number of days of inventories. The authors conclude that the firms can increase its profitability by reducing the number of days of accounts receivables and inventories.

Arunkumar et al. (2013), researched the effects of working capital management on the profitability of the manufacturing firms. The authors use return on Assets a proxy for profitability as dependent variable. The correlation analysis by the authors indicatesnegative relationship between the debtors day, inventory days and creditors days. The negative relationship between the return on assets and current assets proves that the profitability of the firm is inversely related to liquidity. The authors on performing the regression analysis conclude that the coefficients of debtors and inventory days are positive which suggests positive relationship between them and return on assets whereas since the coefficients of creditors days are negative these manifest negative relationship with the return on assets.

Pastor et al (2013) have based their research on basic premise that adequate cash levels are essential for smooth operations of the firms. The authors' further state hat Cash levels are influenced by firm's capital structure, cash flow, investments and asset management policies. The authors analyse the drivers of cash holding of Portuguese manufacturing Small and Medium Sized companies (SMEs). The authors focus their research on primary question of Why do SMEs hold large amount of cash and cash equivalents. The authors conclude in their research that SMEs hold 4.77 % of their total assets in cash and the decision to hold this cash is influenced by information asymmetry and agency conflict characteristics. They further conclude that the SMEs are more dependent on banking credit and shorter debt structure and further state that SMEs with greater probability of financial distress and those with high level of cash flows relative to total net assets tend to hold higher cash levels. The regression analysis result of study suggests cash holding has inverse relationship with growth opportunities, coefficient of liquidity, coefficient of size and positive relationship with debt and cash flow. Thus the authors conclude their research by stating that Portuguese SMEs weigh marginal costs and marginal benefits before taking decisions on cash holdings.

Sharma (2013) in her research analysed the firm's efficiency in managing the working capital and establish relationship between efficient management of working

capital with the profitability. The research was progressed as case study of two steel industries one PSU and other private. The researcher progress the case study with an objective to establish relationship of working capital with total assets, fixed assets, sales and PBIT. The author concludes that profitability ratio is negatively correlated with measures of working capital management except the cash conversion cycle. The positive relationship manifested is indicative of resources getting blocked at different stages of supply chain thus stretching the operating cycle.

Turyahebwa (2013) studied the financial management practices and business performance of sample of 335 Small and Medium Enterprises (SMEs) from a population of 10730 SMEs in Uganda. The authors used correlation design to establish relationships between financial management practices and business performance of SMEs. The results from the study indicate that there is positive and significant relationship between, (a) working capital management practices and business performance (b) Positive and significant relationship between investment practices and business performance indicating efficient investment practices like appraisal of investments with techniques like payback period, net present value; internal rate of return is highly associated with better performance., (c) Positive and significant relationship between financial reporting practices and business performance. The authors conclude that since all correlation coefficients were positive and significant it indicates that all financial management practices were positively related to business performances. This according to authors indicates that efficient financial management practices combined together are associated with high business performance levels among SMEs. The regression analysis indicates that influence of financial management practices on business performance is 33.9 % and that of the working capital management is 22 %. The authors conclude that the owners of SMEs need to develop a positive attitude towards adopting financial management practices so as to achieve desired business performance.

Babu et al. (2014) conducted an empirical analysis of the efficiency of Working Capital Management in leather industry of India. In their research they try to establish relationship between working capital components with Return on Assets (RoA) which was used as a measure of profitability. The authors used RoA as dependent variable and working capital components viz., Inventory Conversion Period (ICP), Average Collection Period (ACP), Average Payment Period (APP) and Cash Conversion Cycle (CCC) as dependent variables. The correlation analysis indicates negative relationship of ROA with ICP while positive insignificant relationship with ACP and APP and positive significant relationship with CCC. On performing multiple regression analysis the authors conclude that 60.9 % of the variation in profitability is manifested through the defined independent variables viz., ICP, ACP, APP and CCC and remaining 39.1 % is from other unobserved

factors. The authors conclude that working capital management plays significant role on profitability of leather industry.

Caballero et al. (2014) studied the working capital management corporate performance and financial constraints of the firms in U.K. The authors weigh the pros and cons of maintaining positive working capital and then conclude that these positive and negative implications result decision making based on principles of tradeoff. The authors use Net Trade Cycle (NTC) as measure of working capital management. The authors regress the NTC, Return on assets, size, growth with the corporate performance. The results indicate inverted U shaped relationship between corporate performance and working capital. With the analysis of the results the authors conclude that working capital levels below optimal effects dominate higher sales and discounts for early payments and hence the authors conclude that the working capital has positive impact on the corporate performance. On the other side the opportunity cost and financing costs effects dominate when the firm has a working capital level above the optimum level and hence the relation between working capital and corporate performance becomes negative.

ENOW et al. (2014), researched effect of working capital management on profitability of the SMEs operating in South Africa. The sample selected for study was of 15 SMEs and the data was captured for the period from 2008 to 2012. Return of assets was taken as measure of profitability and defined as dependent variable. The independent variables choosed were various components of working capital viz., Average Collection Period (ACP), Average Payment Period (APP), Average Age of Inventory (AAI) and Cash Conversion Cycle (CCC). The authors also used variables like firms size, growth, leverage and current ratio as control variables. The correlation analysis indicates negative correlation between ROA and ACP, APP, CCC, size, growth and current ratio whereas positive correlation with AAI and leverage. The regression analysis confirms positive relationship between inventory, growth, size, current ratio and leverage with the return on assets. The authors conclude that increasing the growth and current ratio will increase the size of SMEs whereas lengthening the number of days of accounts receivables will result in higher profits. Also, the ROA manifest negative relationship with account payable and cash conversion cycle indicating decrease in the time taken to repay the creditors will enhance the profits and also if the cash conversion cycle is reduced the profitability is increased. Thus the authors conclude that the SME can enhance the profitability by decreasing the cash conversion cycle.

Javed (2014) researched the impact of working capital management on the SMEs performance in Pakistan. The authors used Tobins Q as proxy to market value, Return on assets and net operating profit as proxy to profitability and defined them as dependent variables. The independent variables representing working capital

components identified to assess their effect on firm's performance choosen by the author were Average Collection Period (ACP), Inventory Turnover in Days (ITID), Average Payment Period (APP), Cash Conversion Cycle (CCC) and Net Trading Cycle (NTC) of the firm. The authors also used Liquidity of firm, size of the firm, the growth in its sales and financial leverage (debt) as the control variables. The authors used 54 sample firms for collecting the data for period from 2006 to 2010. The correlation analysis indicates that the Net operating Profit is negatively correlated with inventory turnover in days, accounts collection period, average payment period but positively correlated with cash conversion cycle and net trading cycle which according to the author signifies that reduction in WCM components leads to higher NOP. ROA negatively correlated with inventory turnover in days, accounts collection period, average payment period but positively correlated with cash conversion cycle and net trading cycle. The relationship among ROA and WCM components are insignificant except ACP. The results according to author suggest that collecting receivables on time enhances the profitability of firms. Tobin's Q is negatively correlated with all the five explanatory variables including ITID, ACP, APP, CCC and NTC. However TQ have significant negative relationship with ITID and NTC, but insignificant relationship with other independent variables. The author concludes that the negative relation between average payment period and all profitability measures (NOP, ROA, and TQ) suggest that less profitable firms wait longer to pay their accounts payable. Another measure of working capital management considered by the author is the Net trading cycle which manifest significant negative relationship with profitability. This according to the author implies that if a firm is able to reduce the Net trade cycle period, it can enhance the profitability thereby resulting in creation of value for the shareholders. The results from the panel data regression show that average collection period and accounts payable period are the two most important WCM components to affect performance of SME firms.

Matadeen et al. (2014) in their research surveyed working capital management practices followed in the by the Mauritius SMEs. The authors bring out that the motives for holding cash varies amongst the SMEs with 38 % hold the cash with transaction motives, 26 % to handle unexpected problems or contingencies and 36 % to rip the benefits from unexpected price changes. However, the authors state that the survey indicates that only 14.3 % SMEs plan cash planning however none of the SMEs use any cash model to arrive at the polices to hold the cash. The survey on accounts payable management reveals that 50 % of the respondents who buy on credit state that credit is easily available while 38.2 % have issues with liquidity especially for seasonal business and 11.8 % state that the credit is informal. The credit payments period varies between less that 10 day to 30 days with 67 % falling in the bracket of 11 to 30 days and 17.6 % less than 10 days. 77 % of the

respondents had confirmed selling on cash and credit with collection period ranging from less than 10 days (21.1 %) to more than 60 days (18.4 %) while 9 % sell only on cash. The sell on credit is associated with bad debt and 37 % confirmed bad debt ranging from INR 50,000 to INR 1,00,000 and 15.8 % less than INR 50,000. 25% to 34 % of current assets is in the form of inventory. The authors from the survey conclude that the recent failures in the SMEs are due to poor management of working capital coupled with lack of financial management skills.

Muscettola (2014) researched the impact of Cash conversion Cycle on the profitability of Italian manufacturing SMEs. The authors on completing the correlation analysis conclude that (i) There is positive and moderate correlation between No of Days Accounts Receivable and profitability, (ii) Negative and weak correlation of stock turnover days with profitability, (iii) There is a negative and significant correlation between cash conversion cycle and profitability. The author on undertaking ordinal regression results show Earnings before Taxes, Depreciation and Amortization has positive relation with (i) Cash Conversion Cycle is significantly which is opposite to the common rule of lesser the cash conversion cycle greater would be the profitability of firms, (ii) Number of days receivables which indicate that decreasing firms' receivable days lead to a declining profit.

Aggarwal et al. (2015) researched the impact of working capital management on the profitability of the Indian firms. The regression analysis indicates that the gross profit ratio is negatively related to cash conversion cycle, creditors payable period, and inventory conversion period. The authors conclude that the major contributors in profitability are cash conversion cycle, inventory conversion period, creditor payment period and debtors' collection period.

Azeem et al. (2015) in their research studied the factors determining the working capital requirements in Pakistani non-financial firms. On analysing the relationship between working capital requirements and other components the authors conclude that, (i) The operating cycle, return on assets, leverage, size and level of economic activity is negatively related to working capital requirements of a firm, and , (ii) operating cash flows and sales growth are positively related to working capital requirements.

Kumar (2015) focused his research to empirically examine the importance of Working Capital Management and its Components on the profitability of Small and Medium Enterprises (SMEs) in India. The author used panel data regression on 433 sample SMEs. Cash Conversion Cycle was used as the measure of working capital and Return on assets as proxy for SMEs profitability. The panel data regression study concludes that the number of days of inventory (DI), number of days of accounts receivables (DAR), the number of days of accounts payables (DAP) and cash conversion cycle (CCC) are negatively correlated with profitability of SMEs in

India. The authors further consolidate the findings and states that the management of inventory (DI) and accounts receivables (AR) are important for SMEs profitability in India.

Pais et al. (2015), analysed the effect of working capital management on the profitability of 6063 Portuguese SMEs during the period from 2002 to 2009. The authors defined Return on Assets (ROA) the measure of profitability as dependent variable. The independent variables defined were the components of working capital management viz., number of days accounts receivables (AR), number of days accounts payables (AP), number of days of inventory (INV) and Cash Conversion Cycle (CCC). The authors used size of the firm, growth and leverage as control variables. The correlation analysis indicates negative correlation of AR,AP, INV and CCC with ROA. The authors conclude that the profitability of the firms could be enhanced by reducing inventories, number of days that firms take to settle liabilities and to collect the payments.

Anil (2016) in her research focuses on the impact of working capital management of 58 firms listed on Bombay Stock Exchange. The author uses descriptive statistics, correlation coefficient and multiple regression models for analysing the data. The Correlation analysis results indicate that Asset Turnover Ratio, Cash Conversion Cycle, Debtor Turnover Ratio, Current Ratio, Debt Turnover Ratio, and Creditor Turnover Ratio manifest significant correlation with Operating Profit Margin, whereas Inventory Turnover Ratio has no significant correlation with Profit Margin. The Regression analysis shows negative relation between the cash conversion cycle and operating profit margin.The author concludes that finance managers of manufacturing companies can increase their Operating Profit margin by improving the assets turnover ratio, current ratio, and size of the firm. On the other hand profitability decreases with decrease in inventory turnover ratio, increase in Cash Conversion Cycle and debt ratio.

Bagh, et al. (2016) researched the impact of working capital management on firm financial performance in Pakistan. The authors used working capital components of Inventory turnover (ITO), Cash Conversion Cycle (CCC), Average Collection Period (ACP) and Average Payment Period (APP) as independent variables and dependent variables used were the measures of firm's performance viz., Return on Assets (ROA), Return on Equity (ROE) and Earnings per Share (EPS). The multiple regression analysis by the authors indicate that ITO, APP and CC have negative impact where as ACP has positive impact on ROA, APP has negative and ACP positive impact on ROE where as ITO has negative impact on EPS.

Ha et al. (2016) studied the impact of working capital management on the financial performance of SME in Vietnam. The authors used Return on Assets as measure of profitability and considered it as dependent variable. The independent variables used

were the components of working capital viz., days accounts receivables (ACR), average account payable turnover, inventory conversion period, cash conversion cycle (CCC), growth, size and age as independent variables. The data was analysed for 1209 enterprises for period from 2008 to 2015. The regression analysis average cash collection cycle and cash conversion cycle have inverse relationship with the return on assets which according to the author is indicative of the fact that if the firms prolong the ACR and CCC the financial performance will be improved. Also the inventory conversion period and accounts payable period have direct relationship with the SME's financial performance. Thus, the authors conclude that the shortage of goods will hamper the financial performance whereas deferred payment will improve the financial performance which ultimately indicates that shorter cash conversion cycle improves the financial performance.

Kosmala et al. (2016) researched the risk associate with the liquidity component of the working capital management. The correlation analysis indicates strong positive correlation between the liquidity risk and net working capital components and weak relation with the demanded net working capital. Thus, the authors conclude that the impact of efficiency oriented variables on liquidity risk was less as compared to the impact of balance sheet oriented variables. The time suitability of liquidity reserves has moderate negative correlation with the cash conversion cycle. From the analysis the authors conclude that the firm's financial stability is relevant to the magnitude of liquidity reserves and the relevance of the liquidity reserves is influenced by the changes in the assets and capital structure.

Gorondutse et al. (2017) analysed the effect of working capital management on profitability of 66 SMEs in Malaysia during the period 2006 to 2012. The authors adopted quantitative methodology for analysing the data collected from the annual financial reports of the selected SMEs. The authors defined three dependent variables as measures of profitability viz., Return on assets (ROA), Net Operating Profit (NOP) and Retrun on Equity (ROE). The independent variables defined were the components of working capital viz., Days Accounts Receivables (DAR), Inventory Turn Over in Days (ITID), Days Accounts Payable (DAP) and Cash Conversion Cycle (CCC). The Pearson correlation analysis results shows that the days accounts receivables exhibit negative correlation with ROA, NOP and ROE whereas days accounts payable manifest positive correlation with ROA and ROE but negative correlation with NOP. The Inventory turnover in days and Cash Conversion Cycle has negative correlation with ROA, ROE and NOP. The regression analysis results show that an increase in DAR and CCC will decrease the profitability of SMEs whereas increasing the DAP will increase the profitability. As regards the NOP as measure of profitability the regression results indicate that reduction in DAR, ITIDs and DAP will increase the profitability. In case of ROE only DAP is

significant and increase in DAP will increase the profitability. The authors conclude that ROE is not good measure of profitability in case of SMEs. From the results the authors conclude that WCM has considerable impact on the profitability of SMEs. The SMEs can increase their profitability by reducing the cash conversion cycle.

Hirnissa et al. (2017), studied the impact of working capital with the profitability of the SMEs in Malaysia. The authors analysed the data of 722 firms in period from 2011 to 2013. The regression analysis shows positive association between Net Working Capital and profitability. The authors justify that SMEs should ensure high Net Working Capital is reflective on SMEs liquidity to fulfill demands of the customer and also to finance short term debt and daily operations since SMEs have limited access to the external financing. Thus, the authors conclude by suggesting SMEs to increase their profits they have to invest in working capital management.

Jakpar et al. (2017) studied the effects of working capital management on the profitability of 164 manufacturing firms in Malaysia for period from 2007 to 2011. The authors selected Return on Assets (ROA) as the dependent of endogenous variable and the components of working capital viz., Natural Logarithm of Cash Conversion Cycle (LCCC), Natural Logarithm of Average Collection Period (LACP), Natural Logarithm of Inventory Conversion Period (LICP), Debt Ratio (DR) and Firm Size (SZ) were considered as independent or exogenous variables. The correlation analysis indicates that the ROA is negatively correlated with log of cash conversion cycle, log of average collection period and debt ratio. The authors conclude that this manifestation is indicative of the fact that any increase in these proxy variables will adversely affect the profitability. The ROA has positive correlation with log of inventory conversion period and firms size. The profitability of the firm measured by ROA was regressed by the authors against natural logarithm of cash conversion cycle (LCCC), natural logarithm of average collection period (LACP), natural logarithm of inventory conversion period (LICP), debt ratio (DR) and firm size (SZ). The coefficient of determination R – square is 0.2804 and the intercept of equation is – 0390219. Thus, the authors conclude that the independent variables have 28.04 % variability of the ROA and since the intercept is negative the ROA tends to decrease when entire variables are constant and unchanged. Also, the results indicate negative relationship between ROA and log of cash conversion cycle as well as Debt Ratio. Results also indicate a positive association between ROA and Log of average collection period, log of inventory period as well as firm size. The authors therefore conclude that the firms should focus on improving the collection period, turnover of inventory and utilize internally generated funds to pay of the company debt.

Kasozi (2017) in his research studied the impact of working capital management on the profitability of manufacturing firms in South Africa. Further correlation and

regression analysis of the data indicates that the average collection period and average payment period negatively impacts the profitability. There is positive relationship between number of days of inventory and profitability. The study could not conclusively ascertain the impact of cash conversion cycle on the profitability due to weak relationship manifested. However, the authors observed that the firms are carrying lot of debt in their capital structure.

Kumari et al. (2017) researched the impact of working capital management on the profitability of the automobile industry in India. The correlation analysis brings out that the inventory turnover period has significant negative relationship with the net operating profitability. The multiple regression analysis with inventory turnover period manifests significant negative correlation with the profitability. The study also indicates current ratio is negatively correlated while quick ratio is positively correlated with the profitability. The authors conclude that inventory turnover period has major impact on the profitability of the firm.

Mortaza et al. (2017) analytically researched relationship between the turnover management and financial performance of firms within their financial constraints. The results of regression analysis between financial performance with the constraints indicate that 65 % of the return on assets is affected by the financial constraints and also 74 % of the financial gain is associated with financial constraints. The authors therefore conclude that the financial constraints do affect the cash flow. The manifestation of positive relationship between financial constraints with the profitability and asset efficiency the authors indicate that the firms have diligently invest particular attention on these variables while do financial planning.

Podile et al. (2017) in their case study has researched on the structure of working capital in one of the small enterprise in Nellore district of Andra Pradesh. The authors also researched on the efficiency of the firm in managing the cash, debtors and inventory. The authors in their analysis conclude that inventory and debtors occupy highest percentage of the current assets. The authors also bring out that the current ratio, cash turnover and average collection periods did not manifest uniformity during the period of study. The authors finally conclude that the cash holding and the collection policy was not well managed by the firm.

Gap Analysis

The literature review analysis depicts following:

1. The research till date highlights importance of the Working Capital management for MSMEs.
2. Few researchers have analyzedthat the working capital management is important and has its impact on the return on assets.

3. The authors have observed that most of the research is done on the performance analysis of MSMEs in manufacturing industry or service sectors. Moreover almost all researchers focus on analysing the working capital with profitability and most researchers have taken Cash Conversion Cycle as measure of Working Capital Management.
4. Majority of researchers considered Return on Assets as dependent variable and components of working capital as independent components.
5. The authors have not come across any research which considers Cash Holding as a dependent component. The aspect is important since by basic nature of quick transformation of the working capital components from one form to another indicate relationship amidst themselves. This has motivated the authors to find out the relationship between one of the components with the remaining components. The authors suggest to take 'Cash' as dependent component as they are of the opinion that 'Cash' is extremely important for the firm to decide the liquidity position. The authors thus believe that formulating correct polices for holding the cash will trigger the optimisation process for other components.
6. The cash conversion cycle for the MSMEs is generally large since the long gestation period for the product finalization and meeting the desired specifications. The authors have not come across any literature on working capital management practices of MSMEs having perceivably stretched cash conversion cycle.
7. The authors have not come across any research undertaken specific to functioning of MSMEs supporting the defence sector.

In India, there has been greater emphasis on the in-house production of the defence equipment in the recent past. However, ab-initio manufacturing defence equipment is extremely time consuming and requires decades of research. Further, the product support to the equipment supplied by foreign Original Manufacturer of the Equipment (OEM) is waning due to rapid advancement in the technology rendering the imported equipment on verge of obsolescence. However, it is not always possible to replace defence equipment since it has operational connotations attached.

To overcome this situation, defence forces have come up with novel idea of replacing them with the indigenously manufactured equipments. The challenge in this process is the ability of reverse engineering of domestic MSMEs as the task is primarily being undertaken through MSMEs. With the focused approach towards self reliance domestic MSMEs have sprung up in prominence especially in defence indigenisation process. The Government is promoting role of MSMEs in defence production. However, the MSMEs in turn could be trying to cope up with peculiar issues of working capital management in defence environment. Efficient

management of the working capital might assume a greater significance for the MSMEs in defence production where the cash conversion cycle is stretched.

The authors believe that incorrect cash policies may result in crises in production, marketing, liquidity and profitability thereby reducing in the MSME's net worth. The results of these crises possibly may manifest itself in sharp and wide fluctuations in the behaviour of cash system. Working capital management therefore may be considered as an important aspect for short term sustenanceand in turn long term sustenance of MSMEs. Thus considering the limited or no research on working capital management of MSMEs supporting defence indigenisation, the authors are inspired to focus the research to address the issue.

The gap analysis depicts importance to undertake an analytical study of relationship of 'Cash Holding' with Other Components of Working Capital for Micro, Small and Medium Enterprises (MSMEs) involved in defence indigenisation process.

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❑❑❑

A STUDY ON NON PERFORMING ASSETS MANAGEMENT OF PORBANDAR COMMERCIAL COOPERATIVE BANK

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ABSTRACT :

The concept of cooperative its origine to the history of mankind which is an instinct to working a group helping each other in the times difficulties. This principle has given rise to the individuals working for a common goal,laying down principle voluntarily yagreeing to poortheirre sources for mutual benefit. such a group managed by the members themselves is modernday cooperative society.

These bank have are regulatory control of state government through register of co-operative and reserve bank of India. the ROC regulate the ownership management affairs while as the RBI supervises the regulation with regard to banking operation.

In this study of nonperforming assets management I have collect various data from annual report of PCC bank and on the basis of this data If one under which are related to non performing assets.

An on performing assets is defined as a credit facility in respect to which the interest an installment of principle has remained past due for specified period of time. In simple terms, An asset is tagged as non-performing when it cease to generated income for the lender.

INTRODUCTION

The future of the banking sector appears quite promising though there are quite a few challenges to contend with. The customer is more discerning and has a much wider access to technology and knowledge. Hence the imperative need to roll out innovative customized products which will be the key diffentiator amongst banks. Time and distance have shrunk and the interest has greatly facilitated global reach and therefore, evolution of delivery channels and interactive services have been a boon to banking. The core banking solution platform is being increasingly adopted by the bank to fully realize the opportunity thrown up by technology.

Unlike the previous year, credit growth of the system was not as profound but quite robust nonetheless and resources though not really scarce, were a bit expensive. RBI initiated various measures such as increases of reserve repo rate, higher CRR prescription etc. which were aimed at moderating credit growth. To certain sector

specific instruction have also been issued by RBI to rein in expansion of bank credit to such sectors. All this ushered in a period of increasing cost, declaiming yields and consequently pressure on margins. Healthy rebalancing of the credit portfolio was the answer to this syndromes.

BANK PROFILE

NAME	Porbandar commercial co-operative bank ltd
ADDRESS	Kasturba Gandhi Road, Opp. Nagar Palika Building Porbandar-360575
PHONE NO.	0286-2245896
YEAR OF ESTABLISHMENT	1971
TYPE OF BANK	Co-operative
EMAIL	bankpcc@gmail.com
NO. OF EMPLOYEES	15
RBI GRADATION	"A"
BRANCH MANAGER	Mr. P.K.Ratanghariya
ADVISOR	Divyeshbhai Sodha

RESEARCH METHODOLOGY

"Hear the main problem behind research is to identify NPA, causes of NPA ,impact of NPA in working of bank . "

Also we identify categories of NPA and calculate various ratio which helpful to show impact of NPA in working of bank so here main problem is to study how NPA affects working of bank .

As we know that high NPA reduce the working of banking so bank always try reduce the ratio of NPA inorder to improve work efficicency of work .

The main problem is to identify reasons behind NPA and also identify how it affect the profitability of PCC BANK

The important functions of banks is to maintain the quality of assets, Which requires proper selection of borrower, appraisal of his/her project, adequate credit, close monitoring, supervision and follow up. Non-performing assets is risk bearing assets. Banking sector will always try to make power full strategy for accounts management.

Banking sector will always face the problem of NPA because of poor recovery of advances granted by the bank and many other reasons for increase NPA because of

poor strategy of recovering of NPA by banking sector.NPA will be highly affect the balance sheet and create the huge problem to the bank's net profit.

Here, in this report we have study the significant difference in NPA by year to year in the PCC bank. Increase NPA will decrease the image of the company and Decrease NPA will create positive image of the company.

LITERATURE REVIEW

Jayalakshmi.G and Sumathy.M (2009),In their study on NPAs Management in Co-operative Banks in India opined that a good management of NPAs requires pro-active actions to be taken by banks at the time of taking decisions forgranting advances by making proper assessment of risk involved and strict adherence to the prudential norms. Theyconcluded that following prudential norms for NPAs management is compulsory for survival of co-operative banks alongwith the confidence of the customer.

Mandira Sarma and Rajiv Kumar (2008), Carried out primary studies on the rural short-term co-operative credit structure. They observed that the Non-Performing Assets (NPAs) level in the Rural Short-term Co-operative Credit Structure (RSTCCS) was very high compared to that in the commercial banking system in India. They concluded that in spite of significant development in India's financial sector over the last decade, a large number of poor, particularly large and marginal communities remained "financially excluded" even today.

Mayilsamy,R (2007),Non-Performing Assets (NPAs) in short term co-operative credit structure. He observed that the banks have to evolve recovery strategies and plan for recovery management. He concluded that if they fail to improve the recovery, the huge burden of NPAs is really breaking the backbone of the short term co-operative credit structure in India.

RESEARCH OBJECTIVE

- To study the concept and significant difference in NPA year to year in bank.
- To follow the guidelines issued by RBI about income recognition, assets classification and provisioning norms in respect of both cooperative and commercial banks.
- To review the strategies adopted by banks for arrest and control of NPA's
- To present and analyses the gross and net NPA in PCC during the study period..
- To identify general reasons for NPA

SCOPE OF THE STUDY

The study has the following scope:

- The study could suggest measures for the banks to avoid future NPAs & to reduce existing NPAs.
- The study will help to select the appropriate techniques suited to manage the NPAs & develop a time bound action plan to check the growth of NPAs.
- The study may help the government on creating & implementing new strategies to control NPAs.

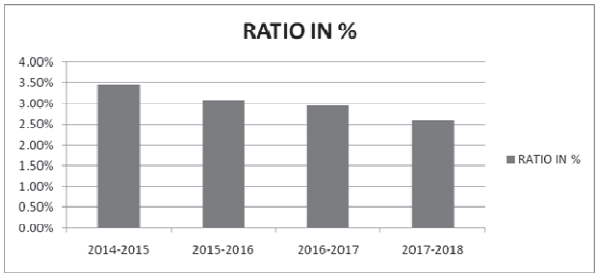
RESEARCH METHODOLOGY

Research design	:	Descriptive research
Research area	:	Porbandar city
Data type	:	Secondary data
Analytical tool	:	Bar chart

GROSS NPA RATIO:

Year	Ratio in %
2014-2015	3.46%
2015-2016	3.09%
2016-2017	2.95%
2017-2018	2.59%

= Gross NPA/Gross Advances*100



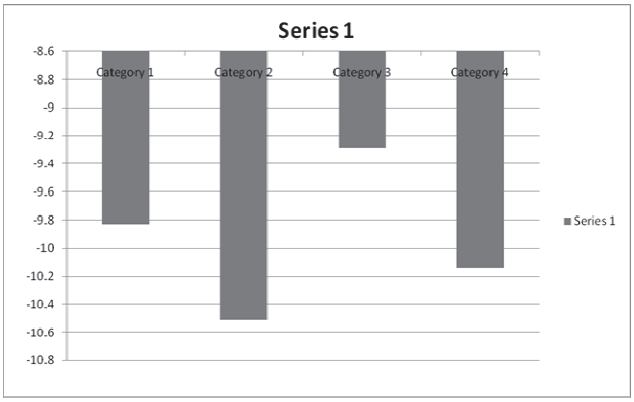
Interpretation:

Above the table and chart indicates the quality of credit portfolio of the banks. High gross NPA ratio indicates low quality credit portfolio and low gross NPA ratio indicates the high quality of credit portfolio. Here, in PCC bank gross NPA ratio will be decreased from 2016 -2017 to 2017 - 2018 about 0.36 % gross NPA is decreased in 2017 -2018 . So we can say that in PCC bank credit portfolio is high.

NET NPA RATIO:

= Net NPA/Net Advances*100

Year	Ratio in (%)
2014-2015	-9.83%
2015-2016	-10.51%
2016-2017	-9.29%
2017 – 2018	- 10.14



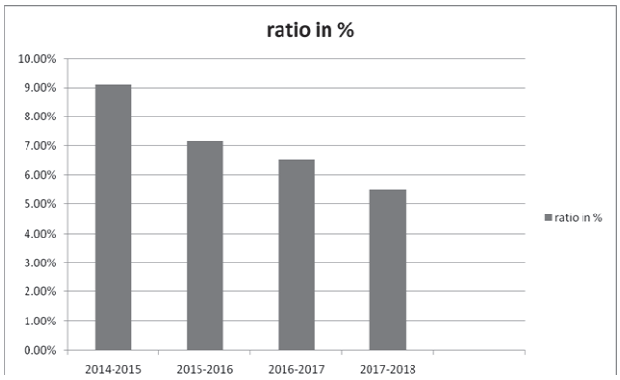
Interpretation:

Above table and charts indicates high quantity of risk in the portfolio of the bank. High NPA ratio indicates high quantity of the risky assets in the bank for which no provision was made. Above table Net NPA will moderate from last three year. High Net NPA will become dangerous in long term solvency.In pcc bank NET NPA is negative suggest that bank is working in proper way .

PROBLEM ASSETS RATIO:

= Gross NPA/ Total assets*100

Year	Ratio (in %)
2014-2015	9.11%
2015-2016	7.20%
2016-2017	6.53%
2017 - 2018	5.5 %



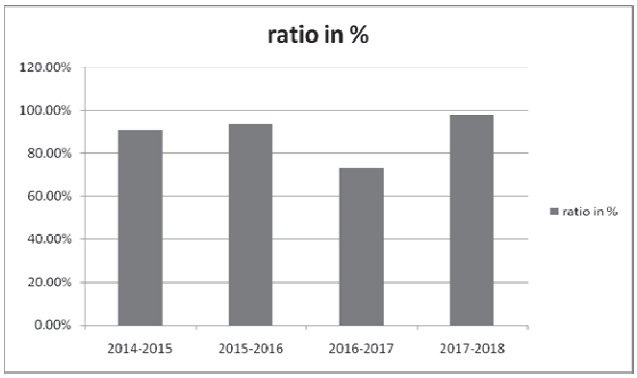
Interpretation:

It has been direct bearing on return of assets as well as liquidity risk management of the bank. High problem assets ratio, more safe position for bank. Above table shows that in PCC bank problem asset ratio is decrease by year to year. In 2017 - 18 b Problem asset ratio is 5.5 %which decreased as comapre to 2o16 - 2017 .

DOUBTFUL ASSETS RATIO:

= Total doubtful assets / gross NPAs * 100

Year	**Ratio in (%)**
2014-2015	91.19%
2015-2016	93.73%
2016-2017	72.89%
2017 -2018	98.04 %



Interpretation:

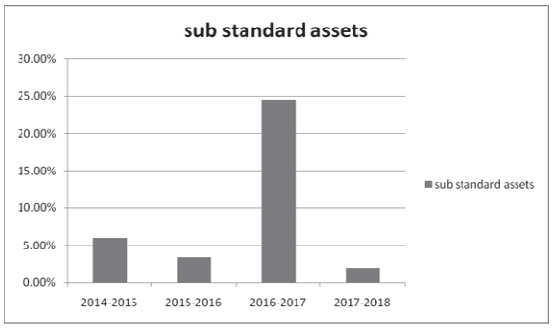
This analysis indicates the doubtful asset ratio of PCC bank from 2014-15 to 2016-17 last 3 years. As we know very well that lesser this ratio, more advantageous for the banks. From the above chart we clearly understand that the doubtful assets ratio of PCC bank is increasing in 2015-16 at 93.73% & than 2016-17 it can be decreasing

at 72.89% so, bank gain advantage from this ratio. but also in 2017 -2018 it again increase upto 98.04 %

SUB-STANDARD ASSET:

=Total sub– standard assets / gross NPAs * 100

Year	Ratio in (%)
2014-2015	6.05%
2015-2016	3.35%
2016-2017	24.55%
2017 - 2018	1.96 %



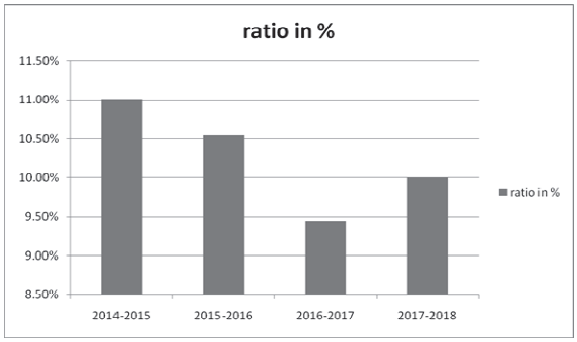
Interpretation:

This analysis indicates the sub-standard asset ratio of PCC bank from last 3 years. As we know very well those lower this ratio, more advantages for the banks.in 2016 2017 the sub standard assets ratio is 24.55 % which decreased in 2017 - 2018 and also it is 1.96 %

INTEREST SPREAD RATIO:

= Interest earned during year-interest paid during year / Standard assets * 100

YEAR	RATIO IN (%)
2014-2015	11.01%
2015-2016	10.55%
2016-2017	9.44%
2017 - 2018	10.00 %

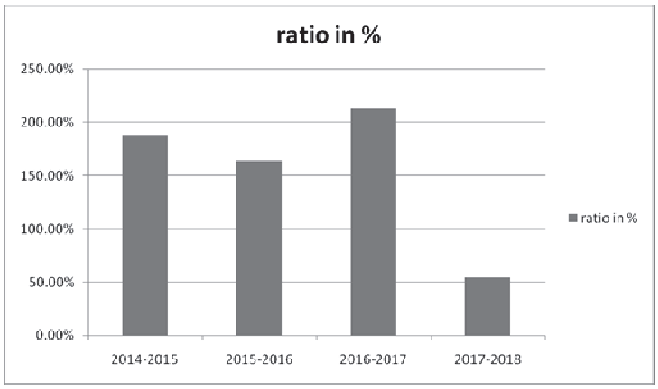


PROVISION RATIO:

It is the ratio of total provision held in respect to gross NPA of thebank.

= Total provision gross NPAs * 100

YEAR	RATIO IN (%)
2014-2015	188.51%
2015-2016	164.27%
2016-2017	212.71%
2017 -2018	54.41 %

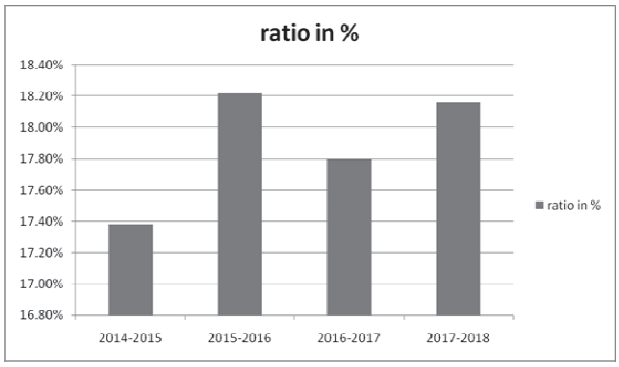


Interpretation:

This analysis indicates the provision ratio of PCC bank from 2014-15 to 2016-17. As we know very well that higher this ratio, more safe position for banks. From above chart we can clearly understand that due to increasing rate of provision NPA ratio in PCC bank. In 2014-15 provision ratio is 188.51% & increase in 2016-2017 at 212.71%and also it is 54.41 % in 2017 - 2018 .

- Shareholders Risk Ratio

=Net NPAs/Total Capital & reserves*100



Interpretation

It indicates the degree of risk with the shareholders investment. High ratio means high risk to the shareholders. Above table of PCC bank indicates that shareholders

risk ratio is moderate from last three years which may leads to divert their funds to other bank which is lower risk. Bank should keep constant eye on this ratio to maintain and attract the funds of shareholder.

FINDING

1 Inadequate staff to contact borrowers frequently

2 Lack of proper follow up by bank

3 Failure to take punitive (strict and effective) actions against defaulter

4 Banks failure to appreciate the acts of prompt repayers.

5 From the gross NPA Ratio of the bank in 2014-15 is 3.46%.Which suddenly decreased in 2015-16 i.e. 3.09% and in 2016-17 i.e. 2.95% and also NPA is reduced in 2018 it is just 2059% in 2018. It is good for Bank. So, Credit portfolio of PCC bank is good.

6 Net NPA ratio of the PCC bank is higher than 2014-15. In 2014-15 net NPA ratio is 9.83% and in 2015-16 ratios is 10.51%. But in 2016-17 net NPA ratio is decreased and become new ratio is 9.29% NET NPA is also reduce in 2018 it is 10.14 % . In PCC bank net NPA ratio is moderate from last three years.

7 Provision ratios find that total provision divided gross NPA Of the bank. In 2014-15 is 188.51% and it is decreasing in 2015-16 and become a 164.27% and it also increase in 2016-17 i.e. 212.71 it is reduce in 2017-18 it just only 54.41% So we can say that firm keeps higher safety compare than last two years.

8 Sub-standard asset ratio find that total substandard assets upon gross NPA of the bank in 2014-15 is 6.05% it also decrease in 2015-16 and become 3.35% and 2016-17 suddenly increase and become 24.55% also it reduce in 2017-18 1.98%. So we can say that for PCC bank gradation and improvement as their ratio is very high.

9 Interest spread ratio indicates that for PCC bank i.e. ratio decrease it means earning assets also decreasing. And loss assets ratio is moderate in PCC bank that's why loss of assets risk is also low.

10 Problem assets ratio in PCC bank decreasing from year to year that's why we can say that risk of liquidity is low. Doubtful assets ratio is indicate about compromise about assets. In PCC bank in 2014-15 is doubtful ratio is decrease but in 2016-17 that is increase and this is negative sign bank but also in 2017-2018 the ratio is decrease so it is positive sign for bank

CONCLUSION:-

It is my pleasure to get training at PCC bank. I have got lots of theoretical and practical knowledge of the bank. All staff members are so efficient, polite and well behave. They are giving me answers so politely when I asked.

After having all the required information for preparing my report, I have found that, there is a very good level of commitment in all staff members. I can conclude that the PCC bank is one of the leading firms in the co-operative sector, and with advanced technologies and educated staff, trying to positioning in the banking market

The PCC has won a great trust of the people even though it doesn't make too much publicity. Deposits, advances, members are increasing and PCC pays 15% dividend every year. It show well managed bank system

- PCC bank shows very much good ratios of NPA.
- NPAs represent moderate level of risk and low level of credit appraisal.
- There are certain guideline provide by RBI for NPAs which are adopted by banks.
- In PCC bank provision ratio is also high this good for bank.
- Depositor are increased in the PCC bank because bank high safety to their bank holders.

REFERENCES

1. Reports/articles referred:

i. Annual report of Porbandar commercial co operative bank limited, annual report of 2014-15, 2015-16 ,2016-17 ,2017-18

ii. Articles from Times Of India

iii. Articles from Indian Express

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A COMPARATIVE STUDY OF ANALYSIS & IMPACT OF E-BANKING SERVICES ON CUSTOMER SATISFACTION OF PUBLIC AND PRIVATE BANKS WITH SPECIAL REFERENCE TO PORBANDAR REGION

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ABSTRACT :

Information Technology has become a necessary tool in today's organizations. Banks today operate in a highly globalized, liberalized, privatized and a competitive environment. In order to survive in this environment banks have to use Information Technology. Information Technology has introduced new business paradigm. It is increasingly playing a significant role in improving the services in the banking industry. Indian banking industry has witnessed a tremendous developments due to sweeping changes that are taking place in the information technology. Electronic banking has emerged from such an innovative development. Modern technology is seen as a solution for most of the problems that the banking sector faces today. Even at present, India is a relative unbanked country as the credit-to-GDP ratio is one of the lowest in the developing economies. So banks are facing the dual challenge of increasing penetration and high growth route. The banking industry can kill two birds with one stone that is with help of technology. Tremendous progress took place in the field of technology which has reduced the world to a global village and it has brought remarkable changes in the banking industry. Branch banking in the brick and mortar mode has been transformed into click and order channel mode.

For sample, I am here taking total six banks, three as public sector banks i.e. SBI Bank, BOB, and BOI and three as private banks there are HDFC Bank, Axis Bank and ICICI bank. The following research paper is based on data analysis and interpretation. This study is also helpful to the banks to study various aspects of services used by different consumers and also to analyze which sector is booming in respect of E-banking services.

***Keyword**: e-banking, information technology, ECS, telephone banking, credit card*

INTRODUCTION

As we know that banks plays a very crucial role in our Indian financial markets. Because they are the biggest source of credit and attract more credits from the population. Banking is necessary for economic development of each and every country. Because developed banking system indicates the economic health of country.

During the last few decades, information technology plays a very vital role in banking sector to provide different and quick services to their customers. It aims to provide varieties of services with different aspects of technology. Different kinds of business sectors have been merged in a single that can be accessible in a global. So the business takes a new name

Electronic business or E-business, which has dispelled the geographical bar among countries. Information Technology and Communication has influenced every sectors of business.

E-banking is the term that helps and contains the entire field of technology initiatives that have taken place in banking industry. E-banking is a common term making use of electronic channels through telephone, mobile phones, internet etc. for delivery of banking services and products to their customers. Through the use of E-banking, bank uses the concept of core banking. It helps the banks to provide different services to their customers in a very effectively or in a efficient manner. It saves times of customers while they taking any services regarding banking transactions. While on the other side it all saves the time of banking employees while they rendering the banking services. E-banking is a genetic term which encompasses internet banking, mobile banking, telephone banking, ATM etc. In other words it can be said that e-banking is all about delivery of e-banking services through the use of electronic medium like telephone, internet and mobile phones. E-banking is the process of making customer's banking transactions electronically without visiting a bank. Delivery of bank services to customers at his/her offices or at any place from where a customer can access his or her bank account for their transaction it is said to E-banking services. The quality of the service and its price are depends on bank's competitive position in banking industry.

E-banking is convenient method for those customers who need to access their account at any time or in case of urgency. It provides service 24*7 to their customer with the help of internet.

Statement of the Problem:

Due to globalization, business operations are changed the life of the human being into machine. As in Porbandar have a more number of businesses whose owner has

no time to go bank regularly for their day to day transactions so they have to sometimes carry out their transactions online. The uses of new gadgets, smart phones, laptop, and internet for day to day operations are increased. Consumer's behavior and their expectations towards bank is changed because of many factors like availability of less time, mobility, independence of time and place and flexibility has become the key factors for customers satisfaction.

There is huge competition among the public & private banks to attract customers. The more number of customers is key success to survive in the global competition. Banks are using information technology for their day to day operations & to provide customer oriented banking services to satisfy the customer by giving best service within time. So there is need to analyze the impact of e-banking on customer satisfaction. Therefore the researcher **attempted "Analysis and Impact of e-banking services on customer satisfaction of public and private banks with special reference to Porbandar region."**

Review of Literature:

"Effect of IT based services on customer satisfaction in banking industry": Sachin Mittal and Rajnish Jain (2010)

In this research paper is basically a literature review of banking industry and effect of IT based services on customer satisfaction. The study highlights customer satisfaction levels among young customers in banking industry. A survey indicates the gap between customer's expectations and perception with respect to IT based banking services. Findings indicated need to improve the IT based services for enhancing customer satisfaction.

"A study of Demographics and customers satisfaction in internet banking", Kumbhar and Vijay (2011)

This study is examined the relationship between the demographics and customers satisfaction in internet banking. It also found out relationship between service quality and customers satisfaction as well as satisfaction in internet banking service provided by the public sector bank and private sector banks. The study found out that overall satisfaction of employees, businessmen and professionals are higher in internet banking service. Also, it was found that there is significant difference in the customer's perception in internet banking services provided by the public and privates sector banks.

"Internet Banking, Consumer adoption and Customer satisfaction": Andrew Musllme and Mallnga Ramadhan (2011)

Internet banking is where customer can access his or her bank account via the internet using pc or mobile phone and web-browser. Internet banking service as

banking service that allows customers to access and perform financial transactions on their bank accounts from their computers with internet connection.

Internet banking has advantages for banks to maintain competition, to save costs, to enhance mass customization, marketing and communication activities and to maintain and attract consumers. Internet banks serve also as gateways offering identification and authorization services to a number of third party service providers. Internet banking helps banks in cost saving, increase customer base, enable mass customization for e-business service, extend marketing and communication channel, search for new innovation services and explore and development of non-core business.

"Customer Perspective on E-Business Value: Case Study on Internet Banking", Safeena, Rehmath (2010)

In this research paper she has determined the consumer's perspective on internet banking adoption. Though customer acceptance is a key driver determining the rate of change in the financial sector. This study aims at examining the impact of perceived usefulness, perceived ease of use, consumer awareness on internet banking and perceived risk on the acceptance of internet banking by the consumers. The result of this study concludes that majority of customers are accepting online banking because of many favorable factors. Analysis concluded that usefulness, ease of use of the system awareness about online banking and risks related to it are main perusing factors to accept online banking system. These factors have a strong and positive effect on customers to accept online banking system.

"Banker's Perspectives on E-Banking", Sharma, Himani (2011)

This research paper is about the banker's perspectives on e-banking activities of respondents, impact of e-banking and promotional measures used by banks to promote e-banking. The survey data used in this research are collected through a questionnaire in Northern region of India by administering to 192 bankers.

The enquiry reveals that customers generally use e-banking services on persuasion of bankers. The bankers are convinced that e-banking helps in improving the relationship between bankers and customers and that it would bring patent improvement in the overall performance of banks.

"Acceptance of E-Banking among Adult Customers: An Empirical Investigation in India", Dixit, Neha and S. K. Datta (2010)

Internet banking is a form of self-service technology. The numbers of Internet users have increased dramatically, but most of them are reluctant to provide sensitive personal information to websites because they do not trust e-commerce security. This paper investigates the factors which are affecting the acceptance of e-banking

services among adult customers and also indicates level of concern regarding security and privacy issues in Indian context. Also a reason, of not accepting online banking by adult customers is no training or guidance from the bank's side.

The result of this study viewed that adult customers are more reluctant to join new technologies or methods that might contain little risk. It is also important to note that some adult customers are interested in online banking; however, they do not possess the necessary computer literacy to conduct it. In addition banks should design the website to concern security and privacy issues.

"A study on electronic banking and customer satisfaction", Bismarck Amiya and Eric Ashley (2015)

E-banking encompasses the provision of banking services and products by banks to their customers through electronic medium. E-banking covers both computer and telephone banking. For many banks, inclination to e-banking services improves customers to the bank. The adoption of e-banking is also seen as a new method of expanding customer base and to also counteract the aggressive effort made by traditional banking institution.

E- Banking allows customers to inquire information and carry out most banking services such as account balance inquiry, bill-payments and inter-account transfers through the internet. E- banking therefore, includes systems that enable financial institutions customers, individuals and business to access accounts, transact business and obtain information on financial products and services through public or private networks.

Recent growth in technology and innovative has fast-tracked the desire of customers of banks for exceptional services to meet the current trend of technological advancement. Contemporary studies on e-banking acknowledges that factors that drive customer satisfaction are security design, availability, convenience and reliability being the most influence factors of e-banking on customer satisfaction.

E-banking availability is recognized as the ability of users to access banking information and services from the web. Customers can access e-banking services only when the service is available.

Objectives of the study:

1. To study the working pattern of Public and private e-banking system in Porbandar Region.
2. To understand and study the problems faced by the customers from the Public and Private sector banks.

3. To evaluate, analyze and compare the opinions and satisfaction level of customers about the e-banking services provided by the Public and private banks.
4. To find out the problems of e-banking services and to recommend suggestions for betterment of customers satisfaction in e-banking services.
5. To suggest the remedial measures to improve the e-banking services.

Research Methodology:

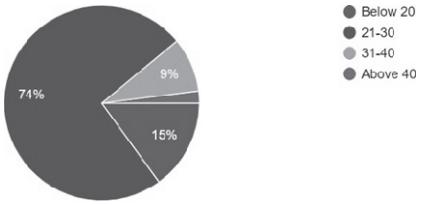
- Research Design : Descriptive Research design
- Sources of Data : Primary Data & Secondary Data
- Data Collection Tool : Questionnaire
- Targeted Population : Customers of Private and Public banks
- Sample Size : 100 Samples
- Sample Area : Porbandar Region
- Sampling Method : Convenient Sampling
- Presentation Tool : Pie Chart & Bar Chart

Data analysis and Interpretation:

1. Personal Profile:

AGE

Age	No. of Respondents	% of Respondents
Below 20	15	15
21-30	74	74
31-40	09	09
Above 40	02	02

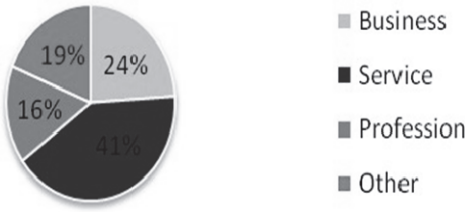


Interpretation

From the chart I can conclude that, out of 100 respondents, 74 respondents are between 21-30 ages. Means these are the maximum respondents who are using E-banking facilities

OCCUPATION

Occupation	No. of Respondents	% of Respondents
Business	24	24
Service	41	41
Profession	16	16
Other	19	19

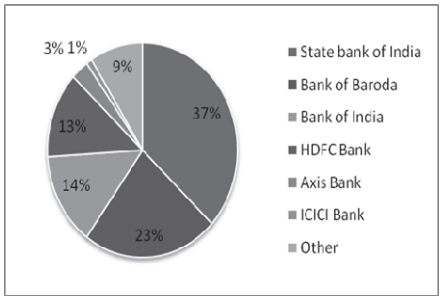


Interpretation

From the chart I can conclude that, out of 100 respondents, nearer to 50% means 41 respondents who are service man are using e-banking. 24 of them are business man and remaining 16 are professionals.

3. In which of the following bank, you hold your account with?

Bank	No. of Respondents	% of Respondents
State bank of India	37	37
Bank of Baroda	23	23
Bank of India	14	14
HDFC Bank	13	13
Axis Bank	03	03
ICICI Bank	01	01
Other	09	09

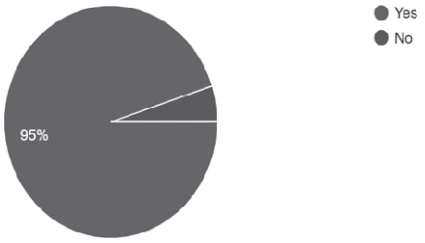


Interpretation

Different persons are using different banks according to their needs & preferences. Out of 100respondents, 37 are using SBI, then next is BOB which is used by 23 out of 100. Remaining are connected with other public & private banks.

4. Are you aware about E-banking services provided by your bank?

Particulars	No. of Respondents	% of Respondents
Yes	95	95
No	05	05

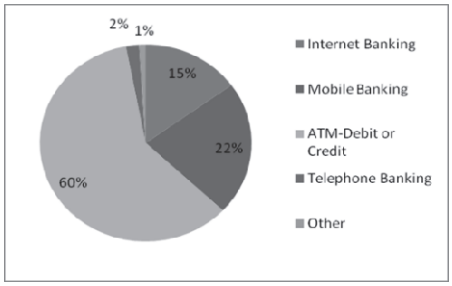


Interpretation

Out of total respondents, 95% respondents are aware about the e-banking services provided by the particular banks, remaining fewer is unknown about this facility.

5. Which kind of E-banking Facilities are you frequently demanding for?

Services	No. of Respondents	% of Respondents
Internet Banking	15	15
Mobile Banking	22	22
ATM-Debit or Credit	60	60
Telephone Banking	02	02
Other	01	01

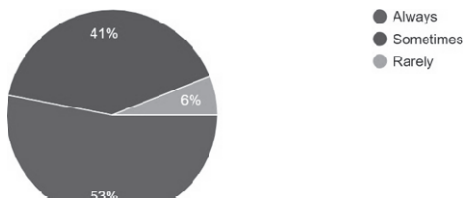


Interpretation

From the chart we can see that majority of respondents are demanding ATM-debit credit facility, and 15 respondents are demanding internet banking, mobile banking is also demanded by 22 out of 100.

6. How frequently do you use E-banking services?

Particulars	No. of Respondents	% of Respondents
Always	53	53
Sometimes	41	41
Rarely	06	06

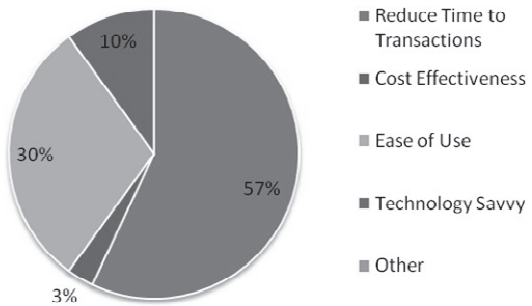


Interpretation

Out of total respondents, more than 50% respondents are always using the e-banking service. 41 of them are using this service sometimes. And only 6 are using rarely.

7. Which factors influence you to access E-banking services?

Particulars	No. of Respondents	% of Respondents
Reduce Time to Transactions	57	57
Cost Effectiveness	03	03
Ease of Use	30	30
Technology Savvy	10	10
Other	00	00

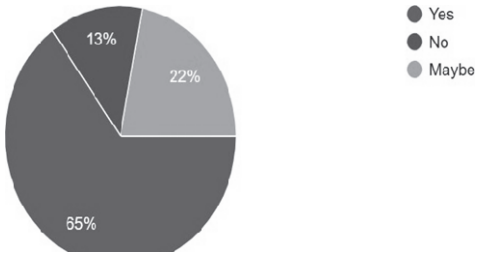


Interpretation

Many factors influence customer to use this service, but most of them are using e-banking because it reduces the time of transaction. Remaining is also using that because they believe that this is cost effective and easy to use.

8. Do you find required services on your particular bank's application?

Particulars	No. of Respondents	% of Respondents
Yes	65	65
No	13	13
Maybe	22	22

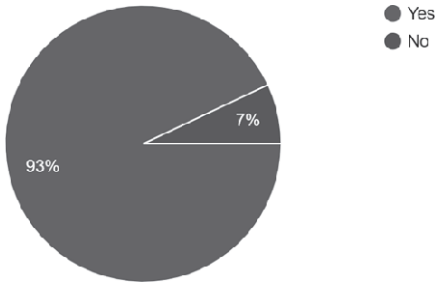


Interpretation

This facility is totally depends on particular bank. Out of 100 respondents, 65 customers are agreeing that they find required service on his/her particular bank.

9. Do you get the detail of your account's transaction through SMS/Email on your cellular phone?

Particulars	No. of Respondents	% of Respondents
Yes	93	93
No	07	07

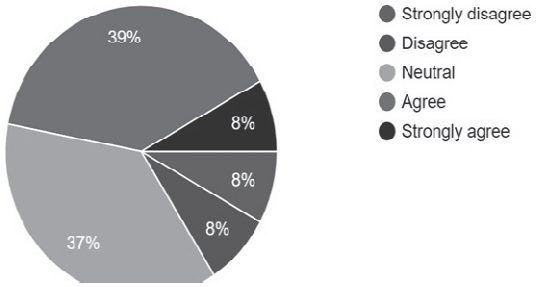


Interpretation

Out of total respondents, 93% respond that they get the detail of transaction through SMS or E- mail. Only few are not getting this service.

10. Do you agree that making transactions through internet are safe?

Particular	No. of Respondents	% of Respondents
Strongly Disagree	08	08
Disagree	08	08
Neutral	37	37
Agree	39	39
Strongly Agree	08	08

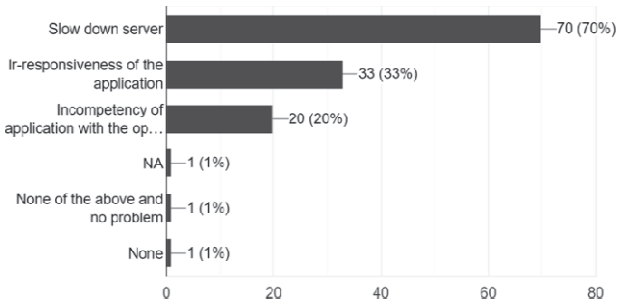


Interpretation

From the chart, I can conclude that, 39 out of 100 believe that transaction through internet is safe. 37 of them are neutral about this.

11. Out of the following, which is/are the commonly faced problem while using E-banking services?

Particulars	No. of Respondents
Slow down server	70
Ir-responsiveness of the application	33
Incompetency of application with the operating system	20
Other	03



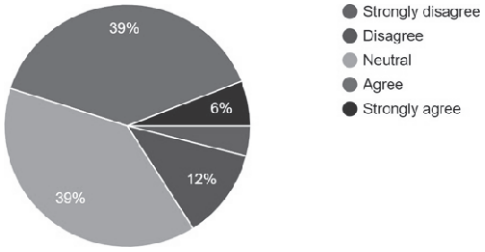
Interpretation

From the above chart and collected data, we can see that customers are facing many problems while using e-banking service. But most commonly problem that is faced by customers is slow down server during the service, which interrupts the entire transaction. And second major problem is ir-responsiveness of the application.

12. When you have a problem while using E-banking services, your bank shows a sincere interest in it.

Particular	No. of Respondents	% of Respondents
Strongly Disagree	04	04

Particular	No. of Respondents	% of Respondents
Disagree	12	12
Neutral	39	39
Agree	39	39
Strongly Agree	06	06

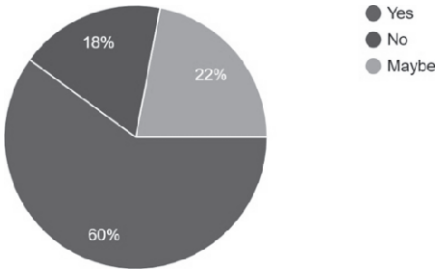


Interpretation

Out of total respondents, 39 reply that bank shows the interest in the problem of customer. 39 of them are neutral about this question. 04 of them are strongly disagreeing about this statement.

13. Are the physical facilities for E-banking provided by your bank is modern?

Particulars	No. of Respondents	% of Respondents
Yes	60	60
No	18	18
Maybe	22	22



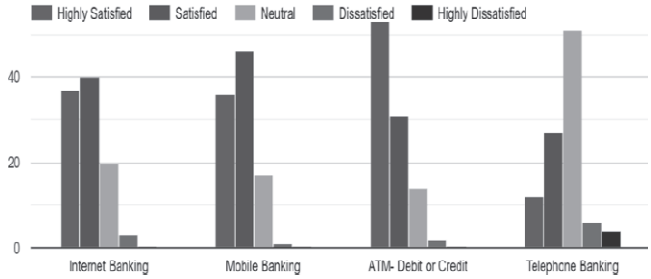
Interpretation

From the collected data, I can conclude that 60 respondents believe that physical facilities for e-banking provided by bank are modern.

14. Satisfaction level towards different E-banking services.

Particulars	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Internet Banking	37	40	20	3	0

Particulars	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Mobile Banking	36	46	17	1	0
ATM-Debit or Credit	53	31	14	2	0
Telephone Banking	12	27	51	6	4

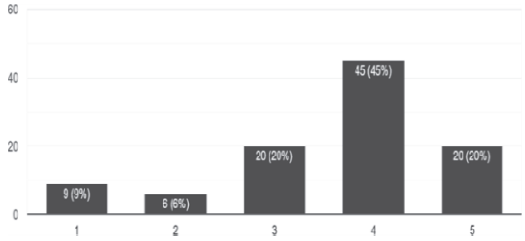


Interpretation

From the above chart and collected data, we can see that different respondents have different review about the satisfaction towards different services provided by the banks. Most of the customers are satisfied with internet banking, mobile banking and ATM service. Majority of respondents are dissatisfied with the telephone banking service.

15. Rate overall E-banking services provided by your bank

Particular	No. of Respondents	% of Respondents
1	9	9
2	6	6
3	20	20
4	45	45
5	20	20



Interpretation

From the service and facilities provided by the bank, respondents give different rank to the overall e-banking facility. Out of 100, 45 believe that banks are giving good facilities. So they gave 4 rates out of 5. And many respondents gave 5 rates out of 5.

Findings:

The above research shows that, customer's satisfaction towards E-banking services or Facilities to their respective public or private bank.

From the survey, I came to know that out of 100 respondents, 53 are highly satisfied with ATM-Debit or Credit card facility.

39% respondents are believed that making transactions through internet are safe.

More than 50% people are facing problem of slow down server while they making transactions online by using any E-banking facilities. Many respondents are also facing ir- responsiveness of application.

From the research I also came to know, whenever there is a problem occurs regarding e- banking facility, 39% respondents believe that banks shows sincere interest in it.

Out of the 100 respondents 60 respondents believe that physical facilities for e-banking provided by bank are modern

From the collected data, I also came to know about some people are dissatisfied with telephone banking facility.

Majority people are using E-banking facilities, because they believed that it reduces the time of transaction as well as it is very easy to use.

Research shows that by the use of E-banking services, customers are satisfied and highly motivated to use kind of services. And one of the reason it might it saves the time of business men or servicemen who are not able to go bank regularly for their day to day transactions.

Suggestions:

However, research shows that overall customers are satisfied with e-banking facilities to their respective banks some respondents also suggest their views regarding e-banking services to all the banks.

Need improvement in security regarding internet banking and make it more confidential. Please identify loopholes and close the door of hackers.

Banks should take necessary steps to create awareness among rural people about the advantages of e-banking / internet banking services available in the banks.

The e-banking / internet banking system should be enhanced to make the online enquiry and online payment much easier to the customers.

Need to run more e-banking apps with accuracy and with some advance software, it might helpful to reduce ir-responsiveness in application.

ATM facility should also improve more specially when amount is debited the refund policy should be quick.

Conclusion:

According to data collected, I can conclude that banks provide different e-banking facilities. Apart from e-banking, banks provide many other services according to the needs of customers. When we are talking about e-banking facilities, most of customers are satisfied with the services provided by the banks, but at the same time there many hurdles that are faced by the customers while using different services. Banks need to focus on how to overcome those barriers to provide smooth flow of service. Apart from this all, banks also need to focus on creates awareness of e-banking, as many customers are still unaware about this facilities and sometimes unawareness can also be the reason of dissatisfaction. But overall there is a good ratio of e-banking facilities and customer satisfaction with reference to public and private banks.

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'A STUDY OF IMPACT OF GST ON INDIAN ECONOMY'

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ABSTRACT :

The replacement of the Central excise duty of the government of India by Central Value Added Tax (CENVAT) and sales tax system of the State governments by the VAT marked a major mile stone in the reform process of indirect taxes in India. It addressed the cascading effect under the erstwhile system by giving set-off for tax paid on inputs as well as tax paid on previous purchases and resulted in a major simplification of the rate structure and broadening of the tax base. But both the CENVAT and the State VAT have certain incompleteness. Although there are many hurdles to be crossed before the implementation of GST the Central government reiterated its commitment towards the adoption of a 'flawless' GST for the survival of the India's economy in the face of increasing international competition consequent to globalization and liberalization.

Presently around 140 countries have adopted the GST pattern, including India. The GST would be beneficial for the consumers as it reduces the final burden of taxation. For Government it leads the reduction of tax compliance efforts and administrative costs and for business units it leads transparency, complete set-off and removal of cascading effect of taxation.

Keywords: *- Value Added Tax, Central Value Added Tax, Flaw less Goods and Services Tax, Tax Compliance and Cascading Effect.*

INTRODUCTION

The value added tax (VAT) at central and state level has been considered to be a major step – an important breakthrough – in the sphere of indirect tax reform in India. If the VAT is a major improvement over the pre–existing central excise duty at the national level and the sales tax system at the state level, then Goods and Services Tax (GST) will indeed be a further significant improvement in the next logical step towards a comprehensive indirect tax reform in the country. Keeping this objective in view, an announcement was made by the union Finance Minister in the central budget.

Goods and services tax is a broad based and a single comprehensive tax levied at every stage of the production, distribution chain with applicable set-off in respect of the tax remitted at previous stages. It is basically a tax on final consumption. In

simple term, GST may be defined as a tax on goods and services, which is levied at each point of sale or provision of services in which at the time of sale of goods or providing the service the seller or service provider may claim the input credit of tax which he has paid while purchasing the goods or provide the service. It is the contemporary method of taxation being followed by the many countries in the world. It is a comprehensive tax on goods and services with a continuous chain of set-off benefits. This will benefit the business as these are transparent and a complete chain of set–off, which will result in widening of tax base and better tax compliance.

Literature Review:-

If we talk about Indian economy we find that Indian economy is highly affected by indirect tax. In Indian economy direct tax like income tax, corporate tax etc. directly affecting the economy with raising in tax slab of income tax but if we talk about the indirect tax like service tax, vat tax, duties, sales tax (state and central) they all affecting Indian economy in different area because most of indirect tax applied by state government in their particular state and that make differentiation in the form of rate of indirect taxes. The GST (Goods and Service Tax) is one tax system government thinks to apply in place on all indirect taxes to centralize all the taxes in different state in India.

Research Problem:-

The concept of Goods and Services Tax (GST) is the biggest tax reform in decades throughout the world, but India has been moving slowly for bringing this reform in Indian Economy. The research intends to focus on understanding concept of goods and service tax and its impact on Indian economy.

Objectives of the Study:-

1. To study the concept of Goods and Services Tax (GST)
2. To understand how GST works in India.
3. To Study the impact of GST on Indian Economy
4. To know the advantages and challenges of GST in Indian context.

Concept of GST:-

The Rajya Sabha has cleared a constitutional amendment to bring about a system of Goods and Services Tax (GST) in India. It is perhaps the most important economic reform item on the Narendra Modi government's agenda. This is one reform which affects all of us. It also happens to be a complicated reform as most taxation matters usually are. This blog attempts to present an overview on GST and explain why it is expected to make a difference to all of us.

How is India's tax system structured today?

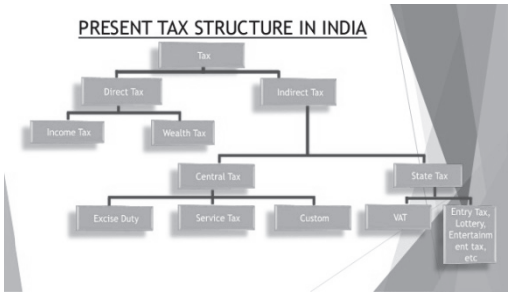
The constitution divides taxation powers between centre and states. Both levels of government have some exclusive areas where they can levy tax. Income tax, which includes tax on company profits, is the exclusive domain of central government. These taxes are referred to as direct taxes.

Indirect taxes are taxes levied on manufacture of goods, provision of services and consumption. In India, generally speaking, indirect taxes levied on manufacture of goods or provisions of services are the exclusive domain of central government. Taxes on consumption are the exclusive domain of state governments.

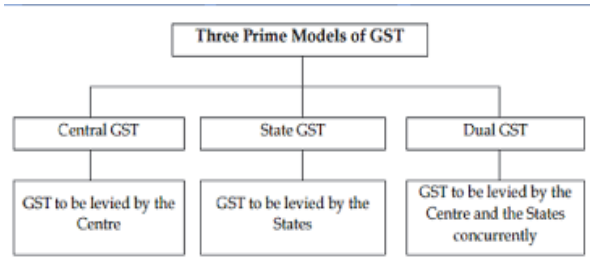
Issues with Current Indirect Tax Structure:-

The issues in Indirect taxes are segregated under the following heads:

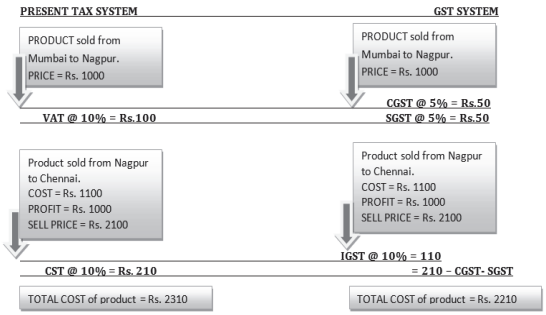
1. Multiplicity of Indirect Tax
2. Different / multiple taxation events
3. Multiple taxable value
4. Multiple tax rates for same products over different jurisdictions
5. Uncommon threshold limits
6. Challenges in exemptions & set-offs
7. Double taxation conflicts
8. Valuation issues i.e. some activities tax on both VAT & Service Tax level
9. Litigations & Multiple compliances



GST Structure



GST – How will it work?



Advantages of GST Bill

1. There is no doubt that in production and distribution of goods, services are increasingly used or consumed and vice versa. Separate taxes for goods and services, which is the present taxation system, requires division of transaction values into value of goods and services for taxation, leading to greater complications, administration, including compliances costs. In the GST system, when all the taxes are integrated, it would make possible the taxation burden to be split equitably between manufacturing and services.
2. GST will be levied only at the final destination of consumption based on VAT principle and not at various points (from manufacturing to retail outlets). This will help in removing economic distortions and bring about development of a common national market.
3. It will also help to build a transparent and corruption-free tax administration. Presently, a tax is levied on when a finished product moves out from a factory, which is paid by the manufacturer, and it is again levied at the retail outlet when sold.

Benefits of GST Bill

For the Centre and the States

According to experts, by implementing the GST, India will gain $15 billion a year. This is because; it will promote more exports, create more employment opportunities and boost growth. It will divide the burden of tax between manufacturing and services.

For individuals and companies

In the GST system, taxes for both Centre and State will be collected at the point of sale. Both will be charged on the manufacturing cost. Individuals will be benefited by this as prices are likely to come down and lower prices mean more consumption,

and more consumption means more production, thereby helping in the growth of the companies.

Impact of GST on Indian Sectors

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

2. Housing and Construction Industry: In India, construction and Housing sector need to be included in the GST tax base because construction sector is a significant contributor to the national economy. 3. FMCG Sector: Despite of the economic slowdown, India's Fast Moving Consumer Goods (FMCG) has grown consistently during the past three – four years reaching to $25 billion at retail sales in 2008. Implementation of proposed GST and opening of Foreign Direct Investment (F.D.I.) are expected to fuel the growth and raise industry's size to $95 Billion by 201835. 4. Rail Sector: There have been suggestions for including the rail sector under the GST umbrella to bring about significant tax gains and widen the tax net so as to keep overall GST rate low. This will have the added benefit of ensuring that all inter – state transportation of goods can be tracked through the proposed Information technology (IT) network.

3. Financial Services: In most of the countries GST is not charged on the financial services. Example, In New Zealand most of the services covered except financial services as GST. Under the service tax, India has followed the approach of bringing virtually all financial services within the ambit of tax where consideration for them is in the form of an explicit fee. GST also allowed exemptions of excise up to Rs. 1.5 Crores.

4. Information Technology enabled services: To be in sync with the best International practices, domestic supply of software should also attract G.S.T. on the basis of mode of transaction. Hence if the software is transferred through electronic form, it should be considered as Intellectual Property and regarded as a service. And If the software is transmitted on media or any other tangible property, then it should be treated as goods and subject to G.S.T.

5. Impact on Small Enterprises" There will be three categories of Small Enterprises in the GST regime. Those below threshold need not register for the GST. Those between the threshold and composition turnovers will have the option to pay a turnover based tax or opt to join the GST regime.

Conclusion:-

Tax policies play an important role on the economy through their impact on both efficiency and equity. A good tax system should keep in view issues of income distribution and, at the same time, also endeavor to generate tax revenues to support government expenditure on public services and infrastructure development. At the end if the tax structure is working at good level then it will help in the better development of economy in all the ways. GST being a upcoming tax structure there will be some opportunities as well as some threats. Thus, we must be ready to deal with GST and many other changes that are going to take place in India. Slowly, India shall move to join the world wide standards in taxation, corporate laws and managerial practices and be among the leaders in these fields.

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5 TRILLION DOLLAR INDIAN ECONOMY- DETERMINATION OR DREAM

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ASM's IBMR Chinchwad

ABSTRACT :

The Indian Prime Minister after assuming for the 2 nd term few months ago has declared an ambitious objective of making India a 5 trillion dollar economy by 2024.

There were expectations and surprises in the statement but the question on everyone's mind is it possible or has the government taken a bite more than what can be chewed. This paper deals with what can make it, likely hurdles in the same and what it needs to be there.

Essentially the reference is to the size of an economy as measured by the annual gross domestic product or GDP. As a thumb rule, the bigger the size of the economy, the more prosperous it can be expected to be.

Key Words: *1. Trillion dollar economy 2.GDP 3.Economy 4. Government*

INTRODUCTION

The Indian Prime Minister after assuming for the 2 nd term few months ago has declared an ambitious objective of making India a 5 trillion dollar economy by 2024.

It speaks of volumes but at the outset it is important to know what this means. It is the size of the Indian economy in terms of Gross Domestic Product i.e. GDP. GDP means the total of all goods and services produced in the economy during a financial year in monetary terms. At present we are at the seventh-largest overall, with a nominal GDP of $2.72 trillion. This says that lot of hard work, planning, innovation and out of box ideas and strong determination can only ensure the target can be achieved.

The GDP of an economy is the total monetary value of all goods and services produced in an economy within a year. There are many ways to calculate a country's GDP.

1. Adding up aggregate the total production,
2. Adding up all the income earned by the people,
3. Adding up all the expenditure made by the entities (including government) in the economy.

For most international comparisons, GDP is calculated via the production method (that is, adding up the value-added at each step) and the monetary value is arrived at by using current prices in US $.

Objectives:

1. To understand and list the factors which can act as hindrances in the way to achieve the target.
2. To examine the changes to be done in the economy which can accelerate the target achievement.

Limitations:

1. Uncertainties of future act as a major hindrance in the study.
2. Future policies of political class can affect the economic growth in spite of proper planning.

Literature Review:

Study has considered various articles and videos available in the public domain on this subject.

Data Analysis:

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2016	2017	2018	2019
6	4.3	8.3	6.2	8.4	9.2	9	7.4	7.4	10.4	7.2	6.5	3.2	7.6	6.7	5.2	4.5

The above data is showing the up & downs in the growth rate saga of the economy. The probable reasons for economy to slow down in the past few years are:

1. Demonetization
2. GST
3. IL&FS Case
4. Weak global Trade due to Trade war between U.S & China
5. Tighter Monetary & Fiscal Policies
6. Global Crude Prices
7. Farmers Issues
8. Banking sector problems Like NPA's and credit squeeze.

Suggestions:

To achieve this target India needs to grow at an annual average growth rate of 11.5 per cent in dollar terms for the next five years.

The target is in terms of dollar, so there are two major variables which can impact India's growth towards achieving this target:

1. Inflation rate
2. Rupee-dollar exchange rate
1. Free Up Trade Agreements

   In view of the stakes involved, the report of the high-level advisory group (HLAG) set up by the ministry of commerce presents a roadmap to double India's exports to $1 trillion by 2025 from about $500 billion at present.

2. Export Hard, Bargain Harder
3. Policy stability
4. Innovation
5. Strengthening the digital backbone
6. Farming Reforms
7. Labour Reforms
8. The unutilized land owned by railways and defence ,major airports, power plants and other public sector utilities a large part of which is in prime areas or near cities, should be utilized for infrastructural demands, investment projects and multi-model logistics hubs.
9. Disinvestment in various sectors
10. Fiscal reforms

Conclusion

The road for the economy to achieve $ 5 trillion is bumpy and tough but sheer determination along with planned reforms shall be the key issues for the same. By attaining double-digit growth, India has little hope of employing the roughly one million young people. Favorable demographics will emerge as an upper-middle-income economy with a prosperous and thriving middle class.

Bibliography: 1. various articles in Economic times 2. Discussion videos on you tube.

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NON PERFORMING ASSETS – CAUSES AND IMPACT

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ABSTRACT :

The banking sector is the backbone of a country's economy and directly affects its development. In order to ensure continued growth, it is critical that the banks and financial institutions are strong enough to manage the stress, particularly caused by Non-performing assets (NPAs) or bad loans. The issue of Non-Performing Assets (NPAs) in the Indian banking sector has come under severe scrutiny by the regulator. The Standing Committee on Finance's recently released report on the banking sector observed that banks' capacity to lend has been severely affected because of mounting NPAs. The Estimates Committee of Lok Sabha is also currently examining the performance of public sector banks with respect to their problem of NPAs, and loan recovery mechanisms available. Additionally, guidelines for banks released by the Reserve Bank of India (RBI) in February 2018 regarding timely resolution of stressed assets have come under scrutiny, with multiple cases being filed in courts against the same. In this context, the paper will examine the recent rise of NPAs in the country, their underlying causes and impact, steps taken so far to address the issue.

***Keywords**: NPA, RBI, Banks, Loans, Stressed Assets, Bad debts*

1. INTRODUCTION

One cannot achieve economic and industrial growth without a healthy banking industry. The banking sector plays a pivotal role in providing financial resources especially to capital-intensive sectors such as infrastructure, automobiles, iron and steel, pharmaceuticals, healthcare etc. From the Indian viewpoint, the economy was on the upswing during the period 2002 to 2008, which saw a credit growth by all the banks and FIs. The economy continued to be healthy until the economic slowdown across the globe from 2009 onwards, which adversely affected business across the world and the India was no exception. The continued slow down resulted in a speedy down fall of financial health of companies leading to failures in meeting their debt

obligations to the Banks and FIs, and resulting in growth in the NPAs of Banks and FIs. Apart from global slowdown, the increase in NPAs is also attributed to reckless lending by some banks in the past, improper monitoring of borrowers accounts, higher interest rates etc. The problem of NPAs is ever growing as companies have huge debts are not in a position to service the same.

2. DEFINITION OF NON-PERFORMING ASSETS (NPA)

An asset, including a leased asset, is called NPA when the asset ceases to generate income for the bank. If interest and or installment of principal amount of loan remain overdue for a period of more than 90 days, of term loan or the account remain 'out of order' in case of overdraft/Cash Credit account or the bills purchased /discounted remain overdue for a period of more than 90 days the account, such accounts will be classified as NPA.

In case of agricultural advance the account is classified as NPA, if the installment of principal or interest thereon remains overdue for two crop seasons for short duration crops. In the case of long duration crop loans, the account will be classified as NPA if the outstanding is overdue for more than one crop season.

3. CATEGORIES OF NON PERFORMING ASSETS

Based on the period, for which the asset remained nonperforming and the realization of the dues, Banks are required to classify their non performing assets into following categories.

3.1 Loss Assets: A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value. If the loan is not repaid even after it remains sub-standard asset for more than 3 years, it may be identified as unrecoverable by internal / external audit and it would be called loss asset

3.2 Doubtful Assets: If an account remains in substandard category for a period of 12 months, the account will be classified as 'Doubtful Asset.' A loan classified as doubtful.

3.3 Sub-standard Assets: If interest and or installment of principal amount of loan remain overdue for a period of more than 90 days, of term loan or the account remain 'out of order' in case of overdraft/Cash Credit account or the bills purchased /discounted remain overdue for a period of more than 90 days the account. If the borrower does not pay dues for 90 days after end of a quarter; the loan becomes an NPA- substandard asset and it is termed as ―Special Mention

Account(SMA).In case of agricultural advance, the account is classified as NPA, if the installment of principal or interest thereon remains overdue for two crop seasons for short duration crops. If the loan is for long duration crop, the account is classified as NPA if the outstanding for one crop season such accounts also classified as NPA –Sub standard account. If an account remains in substandard category for a period of 12 months, then the account will be classified as 'Doubtful Asset.'

Broadly speaking, classification of assets into above categories should be done taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realization of dues.

4. ORIGIN OF NPA

The answer to origination of NPA lies partly in the credit boom of the years 2004-05 to 2008-09. In that period, commercial credit (or what is called 'non-food credit') doubled. It was a period in which the world economy as well as the Indian economy was booming. Indian firms borrowed abundantly to cash on the growth opportunities they saw coming. Most of the investment went into infrastructure and related areas — telecom, power, roads, aviation, steel. Businessmen were overcome with exuberance, partly rational and partly irrational. They believed that India had entered an era of 9% growth.

Thereafter, many things began to go wrong. Due to problems in acquiring land and getting environmental clearances, several projects got stalled. Their costs soared. At the same time, with the onset of the global financial crisis in 2007-08 and the slowdown in growth after 2011-12, revenues fell well short of forecasts. Financing costs rose as policy rates were tightened in India in response to the crisis. The depreciation of the rupee meant higher outflows for companies that had borrowed in foreign currency. This combination of adverse factors made it difficult for companies to service their loans to Indian banks.

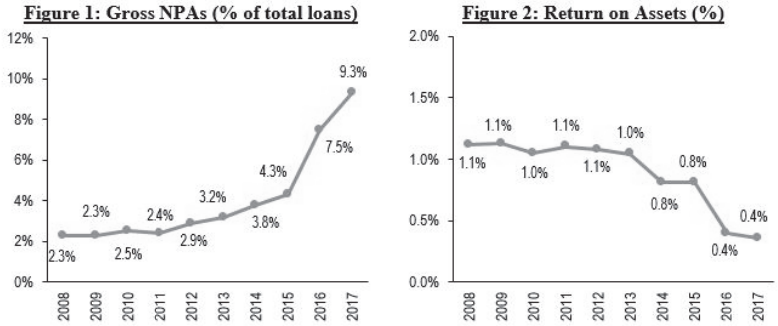
The year 2014-15 marked a watershed. The Reserve Bank of India (RBI), acting in the belief that NPAs were being under-stated, introduced tougher norms for NPA recognition under an Asset Quality Review. NPAs in 2015-16 almost doubled over the previous year as a result. It is not as if bad decisions had suddenly happened. It's just that the cumulative bad decisions of the past were now coming to be more accurately captured.

As per Reserve Bank of India (RBI) data on global operations, aggregate gross advances of Public Sector Banks (PSBs) increased from Rs. 18,19,074 crore as on 31.3.2008 to Rs. 52,15,920 crore as on 31.3.2014.

Primarily as a result of transparent recognition of stressed assets as NPAs, gross NPAs of PSBs, as per RBI data on global operations, rose from Rs. 2,79,016 crore as on 31.3.2015.

Indian banks together reported gross non-performing assets (NPAs) of more than Rs. 10.25 lakh crores, PSU banks alone contributed Rs. 8,95,601 crore as on 31.3.2018, and as a result of Government's 4R's strategy of recognition, resolution, recapitalization and reforms, have since declined by Rs. 89,189 crore to Rs. 8,06,412 crore as on 31.3.2019 (provisional data).

As per RBI provisional data on global operations, as on 31.3.2019, the aggregate amount of gross NPAs of PSBs and Scheduled Commercial Banks (SCBs) were Rs. 8,06,412 crore and Rs. 9,49,279 crore respectively.\



Source: Reserve Bank of India; PRS.

5. CAUSES FOR NPA IN INDIAN BANKS

As there has been a significant rise in the number of NPAs or bad loans lately, identifying the root cause has become critical. The major reason why NPA occur in banks is the adoption of bad lending practices at a bank's management level. The primary reasons for spurt in stressed assets have been observed to be, inter-alia, aggressive lending practices, willful default / loan frauds / corruption in some cases, and economic slowdown.

5.1 Over-optimism:

A larger number of bad loans were originated in the period 2006-2008 when economic growth was strong, and previous infrastructure projects such as power plants had been completed on time and within budget. It is at such times the banks made mistakes by extrapolating past growth and performance to the future. Banks were willing to accept higher leverage in projects, and less promoter equity. Sometimes banks signed up to lend based on project reports by the promoter's investment bank, without doing their own due diligence.

5.2 Slow Growth

The years of strong global growth before the global financial crisis were followed by a slowdown, which extended even to India. Strong demand projections for various projects were shown to be increasingly unrealistic as domestic demand slowed down.

5.3 Loss of Promoter and Banker Interest

Until the Bankruptcy Code was enacted, bankers had little ability to threaten promoters, even incompetent or unscrupulous ones, with loss of their project. Writing down the debt was then simply a gift to promoters, and no banker wanted to take the risk of doing so and inviting the attention of the investigative agencies. Stalled projects continued as "zombie" projects, neither dead nor alive.

5.4 Malfeasance

Bankers were overconfident and did too little due diligence for some of the loans. Many did no independent analysis, and placed excessive reliance on other agencies to do the necessary due diligence. Such outsourcing of analysis acted as weakness in the system, and multiplied the possibilities for undue influence. Too many loans were made to well-connected promoters who have a history of defaulting on their loans.

5.5 Fraud

The size of frauds in the public sector banking system have been increasing, Unfortunately, the system has been singularly ineffective in bringing even a single high profile fraudster to book. As a result, fraud is not discouraged. The investigative agencies blame the banks for labeling frauds much after the fraud has actually taken place, the bankers are slow because they know that once they call a transaction a fraud, they will be subject to harassment by the investigative agencies, without substantial progress in catching the culprits.

6. IMPACT OF NPA ON ECONOMY

NPA plays an important role in every economic condition and also the main cause of the increase in the current account deficit. Interest rates, Loan, Housing Loans, CRR, SLR all are directly affected by the system. The corporations also affect the impact of higher NPA.

6.1 Stress in banking sector causes less money available to fund other projects, therefore, negative impact on the larger national economy.

6.2 Higher interest rates by the banks to maintain the profit margin.

6.3 Redirecting funds from the good projects to the bad ones.

6.4 As investments got stuck, it may result in it may result in unemployment.

6.5 In the case of public sector banks, the bad health of banks means a bad return for a shareholder which means that the government of India gets less money as a dividend. Therefore it may impact easy deployment of money for social and infrastructure development and results in social and political cost.

6.6 Both the banks and the corporate sector have stressed balance sheet and causes halting of the investment-led development process.

6.7 NPAs related cases add more pressure to already pending cases with the judiciary.

6.8 Increase in Current Account Deficit. It is the main cause of the increase in current account deficit and interest rates, CRR, SLR are directly affected by the system.

6.9 Higher NPA loses the confidence of shareholders.

6.10 High NPA not only affect the serious borrowers but also affect borrowers with good credit scores.

7. RBI MEASURES TO CURB NPAS IN BANKS

NPAs story is not new in India and there have been several steps taken by the GOI on legal, financial, policy level reforms. In the year 1991, Narsimhan committee recommended many reforms to tackle NPAs. Some of them were implemented.

7.1 The Debt Recovery Tribunals (DRTs) – 1993

To decrease the time required for settling cases. They are governed by the provisions of the Recovery of Debt Due to Banks and Financial Institutions Act, 1993. However, their number is not sufficient therefore they also suffer from time lag and cases are pending for more than 2-3 years in many areas.

7.2 Credit Information Bureau – 2000

A good information system is required to prevent loan falling into bad hands and therefore prevention of NPAs. It helps banks by maintaining and sharing data of individual defaulters and willful defaulters.

7.3 Lok Adalats – 2001

They are helpful in tackling and recovery of small loans however they are limited up to 5 lakh rupees loans only by the RBI guidelines issued in 2001. They are positive in the sense that they avoid more cases into the legal system.

7.4 Compromise Settlement – 2001

It provides a simple mechanism for recovery of NPA for the advances below Rs. 10 Crores. It covers lawsuits with courts and DRTs (Debt Recovery Tribunals) however willful default and fraud cases are excluded.

7.5 SARFAESI Act – 2002

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 – The Act permits Banks / Financial Institutions to recover their NPAs without the involvement of the Court, through acquiring and disposing of the secured assets in NPA accounts with an outstanding amount of Rs. 1 lakh and above. The banks have to first issue a notice. Then, on the borrower's failure to repay, they can:

- Take ownership of security and/or
- Control over the management of the borrowing concern.
- Appoint a person to manage the concern.

Further, this act has been amended last year to make its enforcement faster.

7.6 ARC (Asset Reconstruction Companies)

The RBI gave license to 14 new ARCs recently after the amendment of the SARFAESI Act of 2002. These companies are created to unlock value from stressed loans. Before this law came, lenders could enforce their security interests only through courts, which was a time-consuming process.

7.7 Corporate Debt Restructuring – 2005

It is for reducing the burden of the debts on the company by decreasing the rates paid and increasing the time the company has to pay the obligation back.

7.8 5:25 rule – 2014

Also known as, Flexible Structuring of Long Term Project Loans to Infrastructure and Core Industries. It was proposed to maintain the cash flow of such companies since the project timeline is long and they do not get the money back into their books for a long time, therefore, the requirement of loans at every 5-7 years and thus refinancing for long term projects.

7.9 Joint Lenders Forum – 2014

It was created by the inclusion of all PSBs whose loans have become stressed. It is present so as to avoid loan to the same individual or company from different banks.

It is formulated to prevent the instances where one person takes a loan from one bank to give a loan of the other bank.

7.10 Mission Indradhanush – 2015

The Indradhanush framework for transforming the PSBs represents the most comprehensive reform effort undertaken since banking nationalization in the year 1970 to revamp the Public Sector Banks (PSBs) and improve their overall performance by ABCDEFG. (Appointments Bank Board Bureau, Capitalization, De stressing, Employment, Framework of Accountability, Governance Reforms)

7.11 Strategic debt restructuring (SDR) – 2015

Under this scheme banks who have given loans to a corporate borrower gets the right to convert the complete or part of their loans into equity shares in the loan taken company. Its basic purpose is to ensure that more stake of promoters in reviving stressed accounts and providing banks with enhanced capabilities for initiating a change of ownership in appropriate cases.

7.12 Asset Quality Review – 2015

Classify stressed assets and provisioning for them so as the secure the future of the banks and further early identification of the assets and prevent them from becoming stressed by appropriate action.

7.13 Sustainable structuring of stressed assets (S4A) – 2016

It has been formulated as an optional framework for the resolution of largely stressed accounts. It involves the determination of sustainable debt level for a stressed borrower and bifurcation of the outstanding debt into sustainable debt and equity/quasi-equity instruments which are expected to provide upside to the lenders when the borrower turns around.

7.14 Insolvency and Bankruptcy code Act-2016

The aim of this law is to promote entrepreneurship, availability of credit, and balance the interests of all stakeholders by consolidating and amending the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time-bound manner and for maximization of value of assets of such persons and matters connected therewith or incidental thereto.

7.15 Pubic ARC vs. Private ARC – 2017

This debate is recently in the news which is about the idea of a Public Asset Reconstruction Companies (ARC) fully funded and administered by the government as mooted by this year's Economic Survey Vs. the private ARC as advocated by the

deputy governor of RBI Mr. Viral Acharya. Economic survey calls it as PARA (Public Asset Rehabilitation Agency) and the recommendation is based on a similar agency being used during the East Asian crisis of 1997 which was a success.

8. CONCLUSION

The Banks are the backbone of an economy which needs to strive in this dynamic and challenging environment. Hence choosing the right clients and business partner will make the economy sustainable and will save the banks from financial crisis. For non-performing assets, a proper strategy and restriction should be kept on the banks by the reserve bank and ensuring credit is available to only those businesses that actually deserve it.

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A STUDY ON THE FINANCIAL PERFORMANCE EVALUATION OF SBI BANK

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ABSTRACT :

A bank is a financial institution that accepts deposits from the public and creates credit. Lending activities can be performed either directly or indirectly through the capital markets. Due to their importance in the financial stability of the country, banks are highly regulated in most countries.

Banks plays an important role in the economic development of every nation. They have control over a large part of the supply of the money in circulation. Due to their importance in the financial stability of a country, banks are highly regulated in most countries. Most nations have institutionalised system known as fractional reserve banking under which banks hold liquid assets equal to only a portion of their current liabilities. In addition to the other regulations intended to ensure liquidity, banks are generally subjected to the minimum capital requirements based on an international set of capital standards, known as Basel accords.

The purpose of the study is to examine the financial performance of the banking system. The data used for the study was only secondary in nature. The present study is conducted to compare the financial performance of the bank on the basis of the ratios such as, Current ratio, Quick ratio, Dividend Pay Out ratio, return on asset,cash deposit ratio. The profitability of the bank denotes the efficiency

With which a bank deploys its total resources to optimize its net profits and thus serve as an index to the degree of asset utilization and managerial effectiveness. The study concluded that the selected bank as performed well on the sources of the growth rate and financial efficiency and profitability position is found well during the study period.

***Keywords**: SBI bank, Return on Asset, Return on equity, Profitability, Financial performance.*

INTRODUCTION

Banking sector is the section of the economy denoted to the holding of financial asset for others investing those financial asset as leverage to create more wealth and the regulation of those activities by government agencies. As the banking provides transactions services and has significant positive externalities which increase the efficiency of economic transaction in general. The financial health that is examined

are liquidity, solvency, profitability and operating efficiency. Sound financial health of a bank is the guarantee not only to its depositors, but it is equally significant for the shareholders; employees and whole economy as well. Financial performance refers to the achievement of the bark in terms of profitability.

The major portion of a bank's profit comes from the fees it charges for its services and the interest that it earns on the asset which denotes the efficiency with which a bank deploys its total resources to optimize its net profits.

The present study is divided into four parts. The first part provides the introductory of the topic, a concise survey of available literature has been introduced in the second part of the study.Third section helps the detailed methodology of present research and the fourth section of the study is concerned with data analysis and interpretation. The fifth part covers concluding remarks and suggestions.

FINANCIAL PERFORMANCE ANALYSIS:

Financial statement analysis is the most objective way to evaluate the financial performance of a company. Financial analysis involves assessing the leverage, profitability, operational efficiency and solvency for a company. Financial ratios are the principal tool used to conduct the analysis.

Financial statement analysis is the process of reviewing and analysing a company's financial statements to make better economic decisions to earn income in future. These statements include the income statement, balance sheet, Statement of cash flows, notes to accounts and a statement of changes in equity.

There are various methods for the analysis of the financial performance of the bank. Financial analysis of the bank can mainly be done by the ratio analysis. Ratio analysis enables the management of bank to identify the causes of the changes in their advances, income, deposits, expenditure, profits and profitability over the period of the time and thus help in pinpointing the direction of action required for the increased deposit, income, advances and reducing the expenditure for getting the profit of the bank in the future.

INTRODUCTION OF SBI BANK:

The state bank of India (SBI) is an Indian Multinational, Public sector banking and financial services statutory body. It is a government corporation statutory body headquartered in Mumbai, Maharashtra. SBI is ranked as 236th in the Fortune Global 500 list of the world's biggest corporations of 2019. It is largest bank in India with a 23% market share in assets, besides share of one fourth of the total loan and deposits market.

The bank descends from the Bank of Calcutta, founded in 1806, via the Imperial Bank of India, making it the oldest commercial bank in the Indian subcontinent. The Bank of Madras merged in to the other two "presidency banks" in British India, the Bank of Calcutta and the Bank of Bombay, to form the Imperial Bank of India, which in turn became the State Bank of India in 1955. The government of India took control of the Imperial Bank of India in 1955, with Reserve Bank of India taking a 60% stake, renaming it the State Bank of India.

SBI acquired local banks in rescues. The first was the Bank of Bihar(est. 1911), which SBI acquired in 1969, together with its 28 branches. The next year SBI acquired National Bank of Lahore (est. 1942), which had 24 branches. Five years later, in 1975, SBI acquired KrishnaramBaledo Bank, which had been established in 1916 in Gwalior State, under the patronage of Maharaja Madho Rao Scindia. The bank had been the DukanPichadi, a small moneylender, owned by the Maharaja. The new bank's first manager was Jall N.

There was, even before it actually happened, a proposal to merge all the associate banks into SBI to create a single very large bank and streamline operation.

The first step towards unification occurred on 13th august 2008 when state bank of Saurastra merged with SBI, reducing the number of associate state bank from seven to six. On 19th June 2009, the SBI board approved the absorption of State bank of Indore, in which SBI held 98.3%. The acquisition of State bank of Indore added 470 branches to SBI's existing network of branches.

RECENT AWARDS & achievement:

Through awards and achievement of the SBI, the ranking of the SBI is very high in the world.

The following are the awards and achievement:

- SBI was ranked 216 in the Fortune Global 500 ranking of the world's biggest corporation for the year 2018.
- SBI was the 50th most trusted Branch in India as per the Brand trust report 2013, an annual study conducted by trust research advisory, a Brand analytics company and subsequently, in the brand trust report 2014.
- SBI finished as India's 19th most Trusted Brand in India.
- SBI Life Insurance won the 'SMART Award-Life Insurance in large category' at the ET Insurance Summit held in Mumbai on the Friday, Nov 29, 2019.
- SBI Life wins Best Life Insurance Company' Award at ICC Emerging Asia Insurance Conclave and Awards 2019.

- SBI wins 'Gold' in 'Best Content Marketing Launch (national)' Foxglove Awards 2019 for the inspiring story of Pabiben taking her 'main se hum kakadam'- in 2019.

Through the above mentioned awards and achievement it is clear that SBI is working tremendously and achieving its goals efficiently. SBI has been stated the best among the all banks in the nation. Through this study we have tried to state the ranking of the SBI through the awards and achievement of the bank.

OBJECTIVES OF THE STUDY:

The major objective of the study is to analyse the financial performance of the SBI bank.

The following are the specific objectives of the study:

1. To analysis the financial performance of the SBI bank.
2. To examine the business performance of the SBI bank.
3. To estimate the earning capacity of the bank.
4. To measure the impact of deposit and advances on the profitability of the bank.
5. To offer suggestion for improving the performance of bank.

The above mentioned objectives are the main motive of the study. In short the primary objective of the study is to understand and diagnose the information contained in the financial statement with a view to judge the profitability and financial soundness of the firm, and to make forecast about future prospects of the firm.

RESEARCH METHODOODY:

To achieve the above mentioned objectives, the secondary data is used. The data has been collected from the bank records, annual reports, journals, magazines and the websites. The study limelight the period of the 5 years that is from 2015 to 2019. Financial performance of the SBI bank was analysed for the period of five years with the help of the ratio analysis.

REVIEW OF LITERATURE:

A literature review or narrative review is a type of review article. A literature review is a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. The present literature is accessed through research reports, articles, books, journals, magazines, and other relevant materials. Financial ratios were employed to examine the profitability, liquidity and credit quality performance of SBI bank. The study

concluded that overall bank performance increased considerably in all the five years and significant changes in trend was noticed through the study. This resulted in growing profitability, high liquidity and improved credit quality in SBI banking sectors. The study revealed that the financial performance of the SBI bank throughout the study period is well. The study also revealed that the public sector banks plays an important role in the growing economy of the world.

The analysis focused on the financial performance of the bank. The result of the study stated that there is increasing ratios of the bank performance which states that the bank's financial performance is considerably growing throughout the study period.

The SBI with a vast network of branches and presence is able to compete with the banks at present. It is found that through the use of the modern technology, they provide high standard and quality to the customer service and this helps them to succeed in the competitive world of retail banking. The financial ratios are selected for measuring the liquidity and profitability performance of the bank. The increasing ratios stated that the financial performance is increasing considerably which results in high economic development of the world.

The banking sectors in India has made remarkable progress since the economic reforms in 1991. The public sector banks have brought the necessary competition into the industry spearheaded the changes towards the higher utilization of the resources. The operational efficiency and the asset management have great effect on the healthier performance of the bank. The SBI has efficiently managed to perform all the financial performances of the bank which resulted in the effective financial performance.

LIMITATIONS OF THE STUDY:

The study suffers from certain limitations and some of these are mentioned below so that finding of the study can be understood in a proper perspective.

The limitations of the study has followed:

- The present study is limited to one public bank of India. Hence the results are not applied to any other banks.
- This study is only limited to five years study period (2015-2019).
- This study is only based on the secondary data which has been collected through magazines, journals, annual reports through the various comparable websites.
- The data obtained through the reports is subject to window dressing and may not show the actual position of the bank.

These above mentioned limitations of the study can be excluded by expanding the study or making a new research paper based on excluding the limitations of the study.

For while, the study is been focusing on the financial performance of the SBI bank.

DATA ANALYSIS & INTERPRETATION:

The purpose of collection and interpretation is to acquire useful and usable information and to make the most informed decisions possible. It is the process of assigning meaning to the collected information and determining the conclusions, significance and implications of the findings.

Financial analysis is mainly done to compare the growth, profitability and financial soundness of the respective banks by diagnosing the information contained in the financial statements. It is done to identify the financial strengths and weakness of the bank by properly establishing relationship between the items of the balance sheet and profit and loss account. The present study is concerned about the financial performance of SBI bank from 2015 to 2019 with the help of the ratio analysis.

Table-1 current ratio (in value)

Year	2015	2016	2017	2018	2019
Current ratio	13.87	14.24	15.08	15.79	16.89

Source: Annual report of SBI bank from 2015 to 2019.

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysis a company can maximize the current asset on its balance sheet to satisfy its current debit and other payables.

Current ratio= current asset to current liabilities

From the table it is clear that the current ratio of the bank is been increasing throughout the study period of the time. The financial position of the bank is well. The increasing current ratio of the bank means "growing into" its capacity.

Table no: 2 QUICK RATIO: (in value)

Year	2015	2016	2017	2018	2019
quick ratio	11.02	10.89	11.94	13.84	18.06

Source: annual report of SBI Bank 2015 to 2019

The value of quick ratio is increasing throughout the study period of the time. It decreased slightly in year 2016 but increased in further years. This shows the financial position of the bank is well. The company's liquidity and financial health is better.

Quick ratio also known as the acid test ratio is a type of liquidity ratio, which measures the ability of a company to use its near cash or quick assets to extinguish or retire its current liabilities immediately.

Quick ratio= liquid current asset to total current liabilities.

(Liquid current asset includes cash, marketable securities and receivables)

Table no: 3 DIVIDEND PAYOUT RATIO: (in value)

YEAR	2015	2016	2017	2018	2019
DIVIDEND PAYOUT RATIO	-	-	16.50	17.32	18.62

Source: annual report of SBI from 2015 to 2019

It is noticed that there is no value in the year 2015 and 2016 as per the source. But there is an increasing value from the year 2017 to 2019 throughout study period of time.

An increasing dividend payout ratio means that a bank's dividend payments are exceeding its net income.

The dividend payout ratio is the fraction of net income a firm pays to its stockholders in dividends.

The dividend payout ratio:(can be calculated as) the yearly dividend per share divided by the earnings per share.

Table no: 4 Cash deposit ratio: (in value)

Year	2015	2016	2017	2018	2019
Cash deposit ratio	13.87	14.24	15.08	15.79	16.89

Source: annual report of SBI from 2015 to 2019

It is noticed that the cash deposit ratio of the bank is been increasing throughout the study period of time.

Cash deposit ratio is the ratio of how much a bank lends out of the deposit it has mobilised. It indicates how much a bank's core funds are being used for lending the main banking activity. It can also be defined as the total cash in hand.

Cash deposit ratio= cash in hand+ balances

From the above table it can be observed that it has increased throughout the study period of time.

Summary of ratios:

year	**2015**	**2016**	**2017**	**2018**	**2019**
Current ratio	0.06	0.07	0.07	0.08	0.09

year	2015	2016	2017	2018	2019
Quick ratio	11.02	10.89	11.94	13.84	18.06
dividend ratio	-	-	16.50	17.52	18.62
cash deposit ratio	13.87	14.24	15.08	15.79	16.89

Source: annual report of the SBI bank from 2015 to 2019.

This table concludes the summary of the different type of ratios which affect the profitability of the SBI bank.

CONCLUSION:

According to the above table it is clear that the SBI bank's performance is tremendously effective throughout the study period of the time. The bank's financial performance is well throughout the study period of the time. The following study focused on the liquidity of the bank by calculating different ratios. Through the ratios it is been clear through the study that the financial performance of the bank is well. The financial performance of the bank is analysed using different ratios. Through the study it is clear that the profitability of the bank is throughout the study. SBI bank is in the position to standout for the development of the economy of the country. The bank has performed well on the sources of growth rate and financial efficiency of the bank during the study period. The present study examines the financial performance of the bank. Result showed that the bank's profitability is strong.

From the academic point of view, this research provides a new perspectives in evaluating the financial performances of the public sector bank.

FINDINGS:

Through the study it is found that the financial performance of the SBI bank is strong throughout the study period of time. It is been found that there are no fluctuations through the ratios. The financial performance of the bank is well maintained by the SBI bank. The net profit of the bank is been increasing.

SUGGESTIONS:

Based on the analysis and interpretation, there are some of the general suggestions may be offered for more betterment of SBI performance.

- Though the SBI bank is considered to be faster than other banks but it should also focus on the private banks which are new in the market.
- SBI needs to increase its performance in the matter of cooperativeness.
- SBI needs to educate its customers about its services.

- SBI needs to advertise more about its services.
- Many customers complain about the process of the solving problems is too slow. They need to be faster.
- Private Banks have created competitions. So SBI has to focus on competing.

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A STUDY ON NEW GENERATION SERVICES IN THE INDIAN BANKING SECTOR

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ABSTRACT :

The banking sector plays a vital role in the development of one country's economy. The growth of banking sector depends upon the services provided by them to the customers in various aspects. The growing trend of banking services is found significant after the new economic reforms in India. Today, India has a fairly well developed banking system with different classes of banks – public sector banks, foreign banks, private sector banks – both old and new generation, regional rural banks and co-operative banks with the Reserve Bank of India as the fountain Head of the system. Nowadays banking sector acts as a backbone of Indian economy which reflects as a supporter during the period of boom and recession. Today the banking industry has been experiencing a totally unexpected paradigm shift, and in this age of advanced technology and modern resources the bankers have to first properly define what a new generation banks is as there is no definition that exists, that defines what a new generation bank/banking is and how they can be operated in a sustainable manner not just witnessing profit. But, witnessing existence on a long run for a better tomorrow. This paper enlightens the knowledge light on new generation banking and its innovative products and channels.

Keywords : Banking Sector, Recent Trends and Developments, Technologies, Banking products and services.

INTRODUCTION

The Banking sector has been immensely benefited from the implementation of superior technology during the recent past, almost in every nation in the world. Productivity enhancement, innovative products, speedy transactions seamless transfer of funds, real time information system, and efficient risk management are some of the advantage derived through the technology. Information technology has also improved the efficiency and robustness of business processes across banking sector. India's banking sector has made rapid strides in reforming itself to the new competitive business environment. Indian banking industry is the midst of an IT revolution. Technological infrastructure has become an indispensable part of the reforms process in the banking system, with the gradual development of sophisticated instruments and innovations in market practices. IT in Banking Indian banking industry, today is in the midst of an IT

revolution. A combination of regulatory and competitive reasons has led to increasing importance of total banking automation in the Indian Banking Industry.

Financial innovation in India is key to making growth inclusive by connecting hundreds of millions to the banking system, said panelists at the World Economic Forum's India Economic Summit. The deregulation of financial service industry and increased competition with in investment banking undoubtedly led to increased emphasis on the ability to design new products, develop better process, and implement more effective solution for increasingly complex financial problems. These financial innovations are a result of number of Government regulations, tax policies, globalization, liberalization, privatization, integration with the international financial market and increasing risk in the domestic financial market. Financial innovation is the process through which finance managers or intermediary institutions in financial markets add value to existing plain vanilla products that satisfy the user needs. According to John Finnerty, "Financial Innovation involves the design, the development, and the implementation of innovative financial instruments and processes, and the formulation of creative solutions to problems in finance". The various innovations in banking and financial sector are ECS, RTGS, EFT, NEFT, ATM, Retail Banking, Debit & Credit cards, free advisory services, implementation of standing instructions of customers, payments of utility bills, fund transfers, internet banking, telephone banking, mobile banking, selling insurance products, issue of free cheque books, travel cheques and many more value added services.

Today, we are having a fairly well developed banking system with different classes of banks – public sector banks, foreign banks, private sector banks, regional rural banks and co-operative banks. The Reserve Bank of India (RBI) is at the paramount of all the banks. The RBI's most important goal is to maintain monetary stability (moderate and stable inflation) in India. The RBI uses monetary policy to maintain price stability and an adequate flow of credit. The rates used by RBI to achieve this are the bank rate, repo rate, reverse repo rate and the cash reserve ratio. Reducing inflation has been one of the most important goals for some time.

Review of Literature

Financial innovations lower cost of capital, reduce financial risks, improve financial intermediation, and hence welfare enhancing. The primary function of financial system is to facilitate the allocation and deployment of economic resources in an uncertain environment (Merton, 1992).

Financial innovation is helpful in ensuring smooth functioning and improves the overall efficiency of the system by minimizing cost and reducing risk. More

generally, financial innovation has been a central force driving the financial system toward greater economic efficiency (Merton and Bodie 2005).

Avasthi& Sharma (2000-01) have analyzed in their study that advances in technology are set to change the face of banking business. Technology has transformed the delivery channels by banks in retail banking. It has also impacted the markets of banks. The study also explored the challenges that banking industry and its regulator face.

B. Janki (2002) analyzed that how technology is affecting the employees' productivity. There is no doubt, in India particularly public sector banks will need to use technology to improve operating efficiency and customer services. The focus on technology will increase like never before to add value to customer services, develop new products, strengthen risk management etc. the study concludes that technology is the only tool to achieve their goals.

Jalan, B. (2003), IT revolution has brought about a fundamental transformation in banking industry. Perhaps no other sector has been affected by advances in technology as much as banking &finance. It has the most important factor for dealing with the intensifying competition & the rapid proliferation of financial innovations.

Mittal, R.K. &Dhingra, S. (2007) studied the role of technology in banking sector. They analyzed investment scenario in technology in Indian banks but this study was related to the time period before the Information Technology Act and at that time technology in Indian banks was very low. But both the researchers nicely presented their views.

Padhy, K.C. (2007) studied the impact of technology development in the banking system and he also highlights the future of banking sector. The core competencies will provide comparative advantages.

Objectives

- To examine the new generation banking sector and its products/services
- To present the technological developments in Indian banking sector
- To study the emerging trends in banking technology.

Research methodology

This research is based on the analysis of the secondary data and the research proposes to throw light on the banking services of new generation banking in the Indian Banking Sector.

Recent Trends And Development In Banking Sector

Today, we are having a fairly well developed banking system with different classes of banks – public sector banks, foreign banks, private sector banks, regional rural banks and co-operative banks. The Reserve Bank of India (RBI) is at the paramount of all the banks.

The RBI's most important goal is to maintain monetary stability (moderate and stable inflation) in India. The RBI uses monetary policy to maintain price stability and an adequate flow of credit. The rates used by RBI to achieve the bank rate, repo rate, reverse repo rate and the cash reserve ratio. Reducing inflation has been one of the most important goals for some time. Growth and diversification in banking sector has transcended limits all over the world. In 1991, the Government opened the doors for foreign banks to start their operations in India and provide their wide range of facilities, thereby providing a strong competition to the domestic banks, and helping the customers in availing the best of the services. The Reserve Bank in its bid to move towards the best international banking practices will further sharpen the prudential norms and strengthen its supervisor mechanism. There has been considerable innovation and diversification in the business of major commercial banks. Some of them have engaged in the areas of consumer credit, credit cards, merchant banking, internet and phone banking, leasing, mutual funds etc. A few banks have already set up subsidiaries for merchant banking, leasing and mutual funds and many more are in the process of doing so. Some banks have commenced factoring business.

New Generation Banks

Today, banks claim themselves as new generation banks on the basis of certain services they render or the time period they have being formed or bought into existence. But, it should not be done so because, it totally depends on how they function, in terms of implementing strategies, creating and initiating new investment plans managing funds and non-performing assets, looking on to the way how their work force is recruited and retained by analyzing their true caliber and so on.

"New generation banks are not just banks who are involved in the implementing a new strategy for the sake of survival. But, banks who are involved in the process of creating a paradigm shift to overcome the ever-changing market requirements and customer preferences by the way they organize the internal and external activities, and initiatives by considering traditional human values and using modern technology. That may result in creating larger revenues by properly investing and managing the funds to create optimum profit and goodwill for the long run of the business can be considered and proved as sustainable". Similarly, ages pass on and so does time, thus organizations who are involved in creating change and surviving the change by implementing innovative and effective strategies to serve

the future generations to come can be considered so. Thus, In this process the bank that excels with its innovative strategy is to be considered as a new generation bank as the those strategies used to exhibit customer service and welfare is just a marketing strategy which brings in customers but on a long run its only the internal affairs and money management strategy that helps a business retain its position in the market.

Development In New Generation Banks

Electronic Payment Services - E Cheques

Nowadays we are hearing about e-governance, e-mail, e-commerce, e-tail etc. In the same manner, a new technology is being developed in US for introduction of e-cheque, which will eventually replace the conventional paper cheque. India, as harbinger to the introduction of e-cheque, the Negotiable Instruments Act has already been amended to include; Truncated cheque and E-cheque instruments.

Real Time Gross Settlement (RTGS)

Real Time Gross Settlement system, introduced in India since March 2004, is a system through which electronics instructions can be given by banks to transfer funds from their account to the account of another bank. The RTGS system is maintained and operated by the RBI and provides a means of efficient and faster funds transfer among banks facilitating their financial operations. As the name suggests, funds transfer between banks takes place on a 'Real Time' basis. Therefore, money can reach the beneficiary instantaneously and the beneficiary's bank has the responsibility to credit the beneficiary's account within two hours.

National Electronic Funds Transfer (NEFT)

The transfer of money from the customer remitting it to the beneficiary account usually takes place on the same day. Settlement or clearance of funds takes place in batches as specified by the guidelines by the RBI. Any amount of money can be transferred using NEFT, making it usually the best method for retail remittances. Customers with Internet banking accounts can use the NEFT facility to transfer funds nationwide on their own. Funds can also be transferred via NEFT by customers by walking into any bank branch (which is NEFT-enabled) and leaving relevant instructions for such transfer - either from their bank accounts or by payment of cash. Transfer of funds to Nepal using NEFT, is also allowed subject to limits.

Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) is a system whereby anyone who wants to make payment to another person/company etc. can approach his bank and make cash payment or give instructions/authorization to transfer funds directly from his own account to the bank account of the receiver/beneficiary. Complete details such as the receiver's name, bank account number, account type (savings or current account), bank name, city, branch name etc. should be furnished to the bank at the time of requesting for such transfers so that the amount reaches the beneficiaries' account correctly and faster. RBI is the service provider of EFT.

Electronic Clearing Service (ECS)

Electronic Clearing Service is a retail payment system that can be used to make bulk payments/receipts of a similar nature especially where each individual payment is of a repetitive nature and of relatively smaller amount. This facility is meant for companies and government departments to make/receive large volumes of payments rather than for funds transfers by individuals.

Automatic Teller Machine (ATM)

Automatic Teller Machine is the most popular devise in India, which enables the customers to withdraw their money 24 hours a day 7 days a week. It is a devise that allows customer who has an ATM card to perform routine banking transactions without interacting with a human teller. In addition to cash withdrawal, ATMs can be used for payment of utility bills, funds transfer between accounts, deposit of cheques and cash into accounts, balance enquiry etc.

Tele-banking

Tele banking is another innovation, which provided the facility of 24 hour banking to the customer. Tele-banking is based on the voice processing facility available on bank computers. The caller usually a customer calls the bank anytime and can enquire balance in his account or other transaction history. In this system, the computers at bank are connected to a telephone link with the help of a modem. Voice processing facility provided in the software. This software identifies the voice of caller and provides him suitable reply. Some banks also use telephonic answering machine but this is limited to some brief functions. This is only telephone answering system and now Tele-banking. Tele banking is becoming popular since queries at ATM’s are now becoming too long.

Internet Banking

Internet banking enables a customer to do banking transactions through the bank’s website on the Internet. It is a system of accessing accounts and general information

on bank products and services through a computer while sitting in its office or home. This is also called virtual banking. It is more or less bringing the bank to your computer. In traditional banking one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts etc. but internet banking has changed the way of banking. Now everyone can operate all these type of transactions on his computer through website of bank. All such transactions are encrypted; using sophisticated multi- layered security architecture, including firewalls and filters. One can be rest assured that one's transactions are secure and confidential.

Mobile Banking

Mobile banking facility is an extension of internet banking. With recent developments in handset designs and mobile software, this is a trend which has already caught focus of majority of the banks. The bank is in association with the cellular service providers offers this service. For this service, mobile phone should either be SMS or WAP enabled. These facilities are available even to those customers with only credit card accounts with the bank.

Point of Sale Terminal

Point of Sale Terminal is a computer terminal that is linked online to the computerized customer information files in a bank and magnetically encoded plastic transaction card that identifies the customer to the computer. During a transaction, the customer's account is debited and the retailer's account is credited by the computer for the amount of purchase. Tele Banking Tele Banking facilitates the customer to do entire non-cash related banking on telephone. Under this devise Automatic Voice Recorder is used for simpler queries and transactions. For complicated queries and transactions, manned phone terminals are used.

Electronic Data Interchange (EDI)

Electronic Data Interchange is the electronic exchange of business documents like purchase order, invoices, shipping notices, receiving advices etc. in a standard, computer processed, universally accepted format between trading partners. EDI can also be used to transmit financial information and payments in electronic form.

Challenges Faced by Banks, vis-à-vis, IT Implementation

It is becoming increasingly imperative for banks to assess and ascertain the benefits of technology implementation. The fruits of technology will certainly taste a lot sweeter when the returns can be measured in absolute terms but it needs precautions and the safety nets. The increasing use of technology in banks has also brought up 'security' concerns. To avoid any mishaps on this account, banks ought to have in

place a well-documented security policy including network security and internal security. The passing of the Information Technology Act has come as a boon to the banking sector, and banks should now ensure to abide strictly by its covenants. An effort should also be made to cover e-business in the country's consumer laws. Some are investing in it to drive the business growth, while others are having no option but to invest, to stay in business. The choice of right channel, justification of IT investment on ROI, e-governance, customer relationship management, security concerns, technological obsolescence, mergers and acquisitions, penetration of IT in rural areas, and outsourcing of IT operations are the major challenges and issues in the use of IT in banking operations.

Future Outlook

Everyone today is convinced that the technology is going to hold the key to future of banking. The achievements in the banking today would not have make possible without IT revolution. Therefore, the key point is while changing to the current environment the banks has to understand properly the trigger for change and accordingly find out the suitable departure point for the change.

Conclusion

In the days to come, banks are expected to play a very useful role in the economic development and the emerging market will provide business opportunities to harness. As banking in India will become more and more knowledge supported, capital will emerge as the finest assets of the banking system. Ultimately banking is people and not just figures. By the government support and a careful re-evaluation of existing business strategies can set the stage for Indian banks to become bigger and stronger, thereby setting the stage for expansions into a global consumer base. The long term success by any bank cannot be achieved without the development of new business ideas, innovative products and services and intense focus on customer retention. Although this article gives a view on what new age banking and its trends what their customers expect the banks of tomorrow to look like and what they should focus on, the right choice for adoption may vary from bank to bank.

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'A STUDY ON GREEN BANKING INITIATIVES TAKEN BY PUBLIC SECTOR AND PRIVATE SECTOR BANKS IN INDIA'

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ABSTRACT :

Green banking refers to the banking business managed in such a manner that helps for overall reduction of external carbon emission and internal carbon footprint. The present study attempts to understand the use of Green Banking Products in banking sector and examine the green banking initiatives taken by top three Public and Private Sector Banks in India. Study will undertake some top banks like SBI and Axis which have shown tremendous efforts and change towards accepting Green Banking.

The main objective of this paper is to deeply understand how Indian banks are responding to environmental turbulence and to provide an overview of their action in view of Go Green banking adoption & its advantages.

***KeyWord**: - Green Banking, Environmental Turbulence, Indian Banks.*

INTRODUCTION

A bank should determine green targets to be attained through strategic planning. Bank should determine a set of achievable targets and strategies, and disclose these in their annual reports and websites for green financing and in-house environment management as well. For in-house environment management, the target areas should cover attaining energy efficiency in the form of the use of renewable energy, reduction of electricity, gas, and petrol consumption, reduction of Green House Gas(GHG) emissions, issuance of e-statements, electronic bill pay, saving papers, environment friendly office buildings etc. For Green Financing, the target areas should cover reducing loans for certain environmentally harmful activities, attaining a particular percentage of environmental loans as percentage of totalintroducing eco-friendly financial products etc.Bank should finance environment friendly projects and environment friendly products such as solar equipment's, recycled furniture, vehicle finance for low carbon emissions vehicles, home finance for green buildings etc. with giving some concessions in processing fee and concessional rate of interest.Green infrastructure includes IT infrastructure (Data Centers), green buildings with sufficient natural lightening and air, generate electricity for their own

use and waste recycling plants for recycle their own waste. Green infrastructure may also be considered Self Service Passbook Printers, Kiosks (Multi-Function Kiosks and Self Service Kiosks), Cash Deposit Machines and Contact Centre etc. It facilitates to reduce banks internal carbon footprint.

Objectives:

1. To study Comparison between green banking practices between Sector Public and Private Bank.
2. To study Services and Contribution to green banking.

Essential of Green Banking:

- Banks can help environment through automation and online banking.
- Green banking focuses on social safety and security through changing the negative impacts of the society.
- In financing, it always gives priority to investments /loans which consider risk factors regarding environmental conditions.
- It always cares for sustainable and green growth in industrialization and for social purposes.
- It creates a congenial atmosphere inside and outside the bank.
- It considers the clients as its family members, and as such, guide and supervise the projects to reduce pollution and thus implement scientific methods in the real sense by implementing environmental due diligence (EDD) checklist.
- It reduces cost and energy, thus saving money and increasing GDP of a country.
- It changes the mental faculties of the officials andcustomers, in line with green sensibilities.

Comparison of Green Banking Initiatives between Public & Private Sector Bank

Table 1

Dimensions	Public Sector : State Bank of India	Private Sector : Axis Bank
Modes:	Bank Statement via paper based	90% of statement mail based.
Prominence:	Green ATM IT project.	Axis House, Platinum LEED-Certified Green Building
Money transfers:	Kiosk/Cash deposit Machines.	Kiosk/Cash deposit Machines.
Lack of Service:	Public sector bank availability of services are not regularized	Customer Centricity and customer oriented services to green banking

Dimensions	Public Sector : State Bank of India	Private Sector : Axis Bank
Initiatives:	Solar ATM's, Rainwater harvesting in buildings, Lamps in rural areas.	Electronic statement, renewable street lighting, rainwater harvesting and paper recycling plant.
Effects	-Green counters needed -Services and connectivity issues many times customer support lack	-Green counters in use on large scale -Services are flawless and Less of connectivity issues.
Risk	Green banking has prominent risk of Cash Deposit Machines Failure to connectivity leads to loss of deposition and financial loss of customer indirect leading to customer time wastage.	

[Source: compiled by researcher.]

Findings:

1. Outcome of the study proven to be vital and helpful in understanding new trend in the technological progress of contribution to ecosystem by banking sector in human and scientific era.
2. Create awareness amongst the stakeholders about the environment as well as environmental friendly business practices i.e. solar equipment, ETP, Bio-gas Plant.
3. Limiting giving loans to environmentally harmful projects; Make sure the obligatory environmental compliance factors before lending a loan/investment.

Scope:

This research emphasis on Green Banking in India. This research paper would be further used for cost analysis in green activities for its establishment in economy. It could be helpful in preparing as well as studying gateway to map of technological and economical view of Reduction of waste created due to paper based banking. The market share and contribution will increase and will significantly contribute towards growth of Gross Domestic Product of India (GDP).

Conclusion:

Green Banking is an essential component towards environmental protection and reduction of waste via replacement of paper based banking shifting towards machine based automated models with artificial intelligence developed with service preference to customer centricity. Green Banking now is not only limited toawareness but also in practice. It is now expected from all sector banks that they would not only allocate budget for green finance, green event or green projects under CSR activities, green marketing and capacity building but ensure the efficient

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utilization of budget allocation. Finally we can say that going green should be the motto of all Banks in Indian Banking Sector. Green Branches e-lounge kiosk should be mandatory for all banks using Use of solar powered UPS, GSL/LED bulbs, rain water harvesting by banks, establishing solar powered ATMs etc.

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"A COMPARATIVE PERFORMANCE ANALYSIS OF SELECTIVE PUBLIC SECTOR AND PRIVATE SECTOR BANKS"

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ABSTRACT :

Performance of banking and finance sector is often considered as an effective measure of evaluating the soundness of economic activities of an economy. Public sector banks in India are always under the surveillance of the apex bank (RBI). They have to implement the economic policy decisions for the betterment of the society at large, keeping the profit maximisation motive at stake. They are expected to implement policies related to priority sector lending, financial inclusion etc.

The study is intended to understand the difference between the performances of the public sector banks in comparison with private sector banks. The objective of the study is to understand the effect of the controlled environment on public sector banks on their performance. A comparative analysis has been carried out using key performance variables. Secondary data for 5 years (2015-16 to 18-19) was collected from money control.com for 3 public sector banks and 3 private sector banks. Ratio analysis is used to evaluate the financial performance of these banks.

Key words: *Financial performance, Public sector banks, private sector banks, ratio analysis*

INTRODUCTION

Performance evaluation of the banking and financial sector; acts as a litmus test for the performance evaluation of an economy. With the advent of information technology, the finance sector as like other sectors has undergone a sea change in their work culture. With this changing environment along with the implementation of policy decision, are the public sector bank capable to compete with their counterparts from private sector is the question in mind. In search of the answer for this question, a comparative analysis of privet and public sector banks has been carried out.

This paper attempts to evaluate performance of three public and three private sector banks using "Ratio Analysis" as a tool of performance evaluation.

Objective of the Study:

To study the financial performance of three public sector banks in comparison with three private sector banks.

To evaluate performance of these banks; using Selective ratios.

Literature Review:

Dr. P. Sanjeevi and Mr. P. Manoj Babu Visakhapatnam, (2017), have stated that the operational performance of scheduled commercial banks was found to be better as compared to the non scheduled banks. However no remarkable difference has been observed in the financial performance of these two types. It has been observed that the commercial banks took higher risk as compared to the non commercial banks. M.S. Bhatt and Showkat Ahmad Bhat (2013): studied the performance of cooperative banks of Jammu and Kashmir based on different performance evaluation parameters. It has been observed that these banks had insufficient self generated funds leading to reliance heavily on debt funds. Ineffective management of loans and advances caused high NPA, which affects the performance efficiency of these banks.

Anil Kumar Soni, Abhay Kapre and Pandit Sunder Lal Sharma, (2012): It is a case study of DCCB Ranjangaon. A growth rate analysis was carried out to evaluate the performance of the bank. The bank showed positive growth rate with respect to 17 parameters used in the analysis. The bank has successfully implemented the inclusive growth policy in the process of loan disbursement and successfully served the rural masses. A Vaidyanathan, (2013): the study was intended to analyse different aspects of cooperative credit societies, using the data of a period of 20 years. The author has identified the training need of the employees of cooperative societies with respect to computerisation. The author has suggested to treat the well managed societies as role models for the others. Further the author has suggested forensic audit of loans and advances and impose penalties for gross negligence. Ranjan Kumar Nayak (2012): The study reveals that the Indian economic growth is not inclusive as considerable inequalities were found in the consumption pattern of the society; though the growth in GDP is followed by the growth in real GDP per head per annum. In the opinion of the author cooperative banks proved to be a better option as compared to commercial banks in the process of achieving inclusive growth. Indira R. (1993): The financial performance of cooperative banks of Tumkur district has been analysed using “CAMEL” analysis technique. The unprofessional approach and poor decision making were the two major weaknesses of these cooperative banks. Tihomir Hunjak and Drago Jakovich(2001) Through this study the author has tested the effectiveness of AHP model as a tool of performance evaluation of the banks. Sushendra Kumar Misra and Parvesh Kumar Aspal (2013):The author has used “CAMEL” model for evaluating performance of SBI and its 5 subsidiaries. No significant difference has been observed in the overall performance of these banks though the CAMEL ratios differed from bank to bank. Golam Mohiuddin (2014): A comparative performance analysis of PCB and NCB banks of Bangladesh were carried out using “CAMEL” model. The author found both the banks financially viable and with sound management practices. Dr.

Srinivasan (2016): Through this study a comparative performance analysis of 25 public sector banks, 18 private sector banks and 8 foreign banks was carried out using CAMEL analysis. ANOVA analysis has been used to find the significant difference in each of the 5 composite CAMEL ratios with respect to the three types of the banks. The author has concluded that there found to be significant difference within and between the three groups of banks.

Problem Statement: How far the performance of public sector banks differs from the performance of private sector banks?

Research Methodology:

Present study is a descriptive research work.

- **Sampling:** The study is based on secondary data extracted from Moneycontrol.com for a period of 5 years for 6 banks (2015-16 to 2018-19)
- **Tool of data analysis:** Ratio Analysis is used to analyse the data and the ranks being given based on each individual ratio.

Data Analysis and Discussion:

1) Dividend Per Share [The higher the ratio the better it is]							
Bank/Year	**Mar '19**	**Mar '18**	**Mar '17**	**Mar '16**	**Mar '15**	**Avg.**	**Rank**
SBI	0	0	2.6	2.6	3.5	1.74	IV
BOB	0	0	1.2	0	3.2	0.88	V
IOB	0	0	0	0	0	0	VI
ICICI	1	1.5	2.5	5	5	3	III
HDFC	15	13	11	9.5	8	11.3	I
AXIS	1	--	5	5	4.6	3.9	II

Comment: The dividend per share distributed by HDFC bank was very high as compared to rest of the banks. The dividend distribution by all the three private sector banks found to be remarkably higher than that of public sector banks.

2) Net Operating Profit Per Share (Rs. In Cr.) [The higher the ratio the better it is]							
Bank/Year	**Mar '19**	**Mar '18**	**Mar '17**	**Mar '16**	**Mar '15**	**Avg.**	**Rank**
SBI	272.13	247.07	220.13	211.26	204.13	230.944	II
BOB	188.9	164.6	183.15	191.22	194.27	184.428	III
IOB	19.29	36.63	80.33	130.13	193.78	92.032	V
ICICI	98.35	85.51	92.98	90.7	84.68	90.444	VI

2) Net Operating Profit Per Share (Rs. In Cr.) [The higher the ratio the better it is]							
Bank/Year	**Mar '19**	**Mar '18**	**Mar '17**	**Mar '16**	**Mar '15**	**Avg.**	**Rank**
HDFC	363.43	309.2	270.46	238.2	193.38	274.934	I
AXIS	213.82	178.37	185.98	172.01	149.67	179.97	IV

Comment: Net Operating Profit per share did not vary based on the type of banks (public/private).

3) Interest Spread [The higher the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	6.45	6.65	6.36	6.01	6.26	6.346	V
BOB	6.22	5.91	6.48	6.33	5.47	6.082	VI
IOB	7.89	8.02	7.65	7.41	6.91	7.576	II
ICICI	6.36	6.43	6.58	6.83	7.04	6.648	IV
HDFC	7.2	7.78	7.46	7.52	8.01	7.594	I
AXIS	6.37	5.9	6.84	6.81	7.34	6.652	III

Comment: This ratio did not show variations due to type of the bank. With low dividend per share and NOP per share, IOB had shown better spread compared to majority of the banks under study.

4) Net Profit Margin[The higher the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	0.35	-2.96	5.97	6.06	8.59	3.602	IV
BOB	0.86	-5.57	3.27	-12.24	7.91	-1.154	V
IOB	-21.2	-35.16	-17.32	-12.31	-1.89	-17.576	VI
ICICI	5.3	12.33	18.09	18.44	22.76	15.384	II
HDFC	21.29	21.79	20.99	20.41	21.07	21.11	I
AXIS	8.5	0.6	8.26	20.06	20.73	11.63	III

Comment: Net Profit Margin of private sector banks was found to be higher as compared to public sector banks.

5) Return on Net Worth (%) [The higher the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	0.43	-3.37	6.69	6.89	10.2	4.168	IV

BOB	0.94	-5.6	3.43	-13.42	8.53	-1.224	V
IOB	-22.84	-47.45	-29.5	-21.85	-3.26	-24.98	VI
ICICI	3.19	6.63	10.11	11.19	13.89	9.002	III
HDFC	14.12	16.45	16.26	16.91	16.47	16.042	I
AXIS	7.01	0.43	6.59	15.46	16.46	9.19	II

Comment: Return on Net worth of all private sector banks found to be higher as compared to public sector banks. BOB and IOB showed negative returns on net worth.

6)Return on Assets Excluding Revaluations [The higher the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	219.91	217.69	196.53	185.85	172.04	198.404	III
BOB	173.66	163.64	174.92	174.46	180.13	173.362	IV
IOB	17.9	27.14	47.17	73.34	112.8	55.67	VI
ICICI	163.38	158.91	166.37	149.47	138.72	155.37	V
HDFC	547.89	409.6	349.12	287.47	247.39	368.294	I
AXIS	259.27	247.2	232.83	223.12	188.47	230.178	II

Comment: With negative Return on net worth, BOB showed good return on assets. Whereas ROA of ICICI found to be lower than most of the banks.

7) Net Interest Income / Total Funds [The higher the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	2.49	2.45	2.46	2.6	2.86	2.572	IV
BOB	2.49	2.19	1.98	1.84	1.92	2.084	V
IOB	2.12	2.22	2.01	1.94	1.93	2.044	VI
ICICI	2.94	2.8	2.92	3.11	3.07	2.968	III
HDFC	4.18	4.16	4.21	4.25	4.14	4.188	I
AXIS	2.91	2.88	3.21	3.41	3.37	3.156	II

Comment: As like Net Profit Margin, the Interest income as % of total funds of private sector banks was found to be higher as compared to public sector banks.

8) Interest Expended / Total Funds[The lower the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	4.36	4.77	4.52	4.85	5.07	4.714	V
BOB	4.17	3.98	4.2	4.52	4.33	4.24	I
IOB	4.96	5.05	5.62	6.52	6.66	5.762	VI
ICICI	3.96	3.88	4.36	4.62	4.84	4.332	II

HDFC	4.4	4.17	4.6	5.02	4.82	4.602	III
AXIS	4.46	4.2	4.69	4.89	5.03	4.654	IV

Comment: The Interest expenses of IOB were found to be higher than the rest of the banks resulting into negative profit margin.BOB showed the lowest interest expenses as compared to other banks.

9) Operating Expense / Total Funds [The lower the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	1.88	1.87	1.76	1.82	1.92	1.85	IV
BOB	1.38	1.32	1.29	1.21	1.07	1.254	I
IOB	1.67	2.16	1.82	1.74	1.45	1.768	II
ICICI	1.88	1.81	1.88	1.76	1.75	1.816	III
HDFC	2.16	2.26	2.4	2.5	2.46	2.356	VI
AXIS	2.03	2.08	2.07	1.96	2.08	2.044	V

Comment: The type of the bank did not influence on the operating expenses of the bank. Private sector banks have shown higher operating expenses than two of the public sector banks.

10) Net Profit / Total Funds [The higher the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	0.02	-0.21	0.42	0.45	0.68	0.272	IV
BOB	0.06	-0.34	0.2	-0.78	0.49	-0.074	V
IOB	-1.5	-2.56	-1.32	-1.04	-0.16	-1.316	VI
ICICI	0.37	0.82	1.32	1.43	1.8	1.148	II
HDFC	1.83	1.81	1.85	1.89	1.89	1.854	I
AXIS	0.63	0.04	0.65	1.67	1.74	0.946	III

Comment: Private sector banks performed better than their public sector counterparts for this component.

11) Capital Adequacy Ratio [The higher the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	12.72	12.6	13.11	13.12	12.00	12.71	V
BOB	13.42	12.13	13.17	13.17	12.6	12.898	IV
IOB	10.21	9.25	10.5	9.66	10.11	9.946	VI
ICICI	16.89	18.42	17.39	16.64	17.02	17.272	I
HDFC	17.11	14.82	14.55	15.53	16.79	15.76	II
AXIS	15.84	16.57	14.95	15.29	15.09	15.548	III

Comment: Private sector banks performed far better than their public sector counterparts for this component.

12) Total Debt to owners' funds Ratios [The lower the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	16.89	15.79	15.08	14.24	13.87	15.174	IV
BOB	15.37	15.07	15.69	15.11	16.39	15.526	V
IOB	13.98	17.03	19.64	18.99	18.97	17.722	VI
ICICI	7.77	7.28	6.58	6.86	6.64	7.026	I
HDFC	6.97	8.58	8.02	8.25	8	7.964	II
AXIS	10.52	9.48	9.31	8.6	9	9.382	III

Comment: Private sector banks performed far better than their public sector counterparts for this component.

13) Financial Charges Coverage Ratio [The lower the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	1.38	1.43	1.47	1.42	1.42	1.424	IV
BOB	1.46	1.46	1.4	1.3	1.34	1.392	V
IOB	1.43	1.31	1.27	1.17	1.19	1.274	VI
ICICI	1.67	1.8	1.84	1.78	1.68	1.754	I
HDFC	1.81	1.84	1.73	1.68	1.69	1.750	II
AXIS	1.59	1.6	1.68	1.69	1.65	1.642	III

Comment: Private sector banks performed far better than their public sector counterparts for this component.

14) Interest Expended / Interest Earned[The lower the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	63.62	66.05	64.76	65.12	63.90	64.69	IV
BOB	62.61	64.44	67.98	71.09	69.31	67.086	V
IOB	70.06	69.48	73.68	77.11	77.51	73.568	VI
ICICI	57.39	58.11	59.86	59.76	61.22	59.268	II
HDFC	51.26	50.03	52.18	54.18	53.79	52.288	I
AXIS	60.52	59.33	59.38	58.93	59.91	59.614	III

Comment: Private sector banks performed far better than their public sector counterparts for this component.

15)Net NPA to Advances % [The lower the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
SBI	3	6	4	4	2	3.8	IV
BOB	3	5	5	5	2	4	V
IOB	11	15	14	12	6	11.6	VI
ICICI	2	5	5	3	2	3.4	III

15)Net NPA to Advances % [The lower the ratio the better it is]							
Bank/Year	Mar '19	Mar '18	Mar '17	Mar '16	Mar '15	Avg.	Rank
HDFC	0	0	0	0.28	0.25	0.11	I
AXIS	2	4	2	1	0	1.8	II

Comment: Private sector banks performed far better than their public sector counterparts for this component.

Conclusion:

The private sector banks performed better than the public sector banks with respect to majority of the components of performance evaluation like their earning, financial risk management and return on assets. However for some of the parameters the type of bank did not influence the performance of the bank viz management of expenses: interest expenses as well operating expenses. As the public sector banks have to disburse funds to priority sector and also have to implement the policy decisions (inclusive growth) of the government, profit earning can not be their prime agenda in case of each disbursement, as it is for private banks. This leads to the differences in the performance of Private and public sector banks. A uniform policy has to be envisaged to have a healthy competition between private and public sector banks.

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'TO STUDY INSURANCE AS AN INVESTMENT AVENUE FOR ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED'

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ABSTRACT :

Insurance is very imperative source of money in Indian economy. The grit of the study is to analyze the awareness of insurance as InvestmentAvenue among the people. It brings efficiency in day to day activities and help to develop economy, one aspect of pecuniary arena which plays a very important role is the Insurance. The study encompasses the viability and state for investment of ICICI Prudential Insurance in modern era towards secure future monetary needs and safety.

Keyword : *Grit, insurance, viability, monetary.*

INTRODUCTION

Insurance is as an investment consider for fortifying from uncertainty in future in India. The information collected by me is based on my knowledge. Insurance is very important source of money in Indian economy. The purpose of the study is, awareness of insurance as an investment avenue among the people. It brings efficiency in day to day activities and help to develop economy.

As finance is the lifeblood for all economic activities, one aspect of financial arena, which plays a very important role, is the Insurance. Insurance is the outcome of Man's search for safety and security, and to find out ways and means to minimize the hardship, which are beyond his control. Because of the economic reforms introduced by our government we can see that due to this Globalization and privatization there is enormous increase in the private sector players queuing in the insurance sector. This entry of Private players has enhanced the competitiveness and Quality of service with many innovated products.

Now in India there are totally 28 players including 14 Life and 14 General Insurance Companies. And Life Insurance is one of the most common forms of insurance. ICICI Prudential Life Insurance Company is an emerging star in the Private players with the competition being Global in nature.

Objectives of the Study

- To know the importance and awareness of investment
- To examine the elements of risk – returns and performance of the plan

Policy Issuance Procedure:

- **Proposal:** Proposal Stage is the First stage before the policy is issued at COPS. At this stage, the application form is received by COPS, but it is pending for issuance due to further clarifications required from the customer.
- **Login :** A proposal, which is complete i.e., duly filled with all necessary documents attached to it & accepted by the Branch ops, is called a Login
- **Reject:** An Application gets rejected at the Branch Ops level due to necessary details not filled in the form or necessary documents not submitted are a Reject. It is then sent back to the Advisor for completion.
- **Issuance:** Issuance means a policy that is issued to the Customer by Central Ops.
- **Decline Status:** When a customer refuses to take a policy post login but before Issuance is called a Decline
- **Cancellation:** When the cheque given by the customer bounces, it amounts to cancellation of the policy.
- **Lapse:** A policy for which the Customer fails to pay subsequent premiums is a Lapsed.
- **Free look:** Post issuance of the policy, the policyholder has the option to turn down the policy within 15 days from the date of issuance. This period of 15 days is called Free look Period.
- **Surrender:** When a customer wants to discontinue with the policy it is called Surrender.

Grid of insurance Product of ICICI Prudential:

- Education Insurance Plans
- Wealth Creation Plans
- Premium Guarantee Plans
- Protection Plans
- Retirement Solutions
- Health Coverage Plans
- ICICI Prudential Group Solutions Advantage
- Rural Plans
- Micro Insurance Plans

Regulatory Stake:

The Insurance Regulatory and Development Authority (IRDA):

Reforms in the Insurance sector were initiated with the passage of the IRDA Bill in Parliament in December 1999. The IRDA since its incorporation as a statutory body in April 2000 has fastidiously stuck to its schedule of framing regulations and registering the private sector insurance companies. The other decisions taken simultaneously to provide the supporting systems to the insurance sector and in particular the life insurance companies were the launch of the IRDA's online service for issue and renewal of licenses to agents.

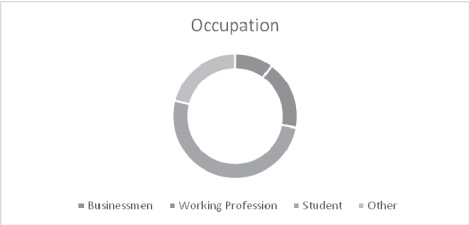
The approval of institutions for imparting training to agents has also ensured that the insurance companies would have a trained workforce of insurance agents in place to sell their products, which are expected to be introduced by early next year.

Since being set up as an independent statutory body the IRDA has put in a framework of globally compatible regulations. In the private sector 12 life insurance and 6 general insurance companies have been registered.

Data Analysis:

1. Profession data

Gender	Frequency	Occupation	Frequency
Male	94	Businessmen	10
		Working Profession	18
Female	06	Student	51
		Other	21
Total	100	Total	100

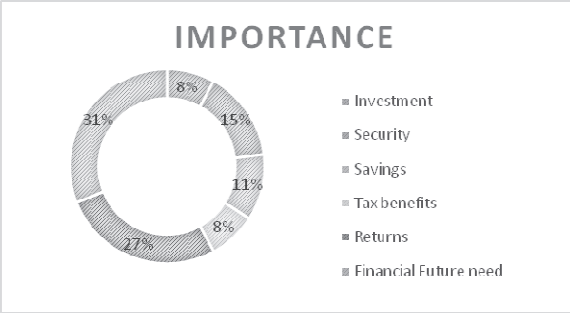


[Source: Compiled by Researcher]

2. Importance while Choosing Life Insurance

Avenue	Frequency
Investment	8
Security	15
Savings	11
Tax benefits	8

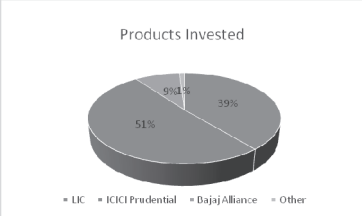
Avenue	Frequency
Returns	27
Financial Future need	31



[Source: Compiled By research]

3. Most Preferred Investment

Company	Frequency
LIC	39
ICICI Prudential	51
Bajaj Alliance	9
Other	1



[Source: Compiled By Researcher]

Findings:

- According to our project survey out of 100 respondent 63% people invest in insurance, 7% people invest in mutual funds, 5% people invest in invest in equities, 11% people invest in share market, 1% people invest in gold and remaining 13% invest in bank deposits. It shows that in future more people interested to invest in insurance.
- It was found that 94% male and 6% female are participating in our survey.
- It was found that occupation of respondents is business man 10%, professional 18%, student 51% and others are 11%
- It was observed that peoples are interested to invested in 39% in LIC, 51% in ICICI, 2% in Reliance, 7% in Baja Allianz and rest of the people other

companies i.e. Birla sun life, HDFC, etc. it indicates that more peoples are interested to invest in ICICI Prudential life insurance company.

Suggestion

- Continuous bombardment of Advertisement by ICICI Prudential as a Life Insurance Company for a common man as well as for well-educated and good salaried people.
- Hoardings in and around the important areas (public concentrated areas)
- The company should concentrate more on the people aged between 18-25 for individual and also the age category 35-55 for family.
- Since individuals are interested in insuring their family members the company should concentrate on insuring the individual's family members.
- ICICI Prudential should concentrate on geographical areas for its expansion and to penetrate through rural areas it should tie-up with rural banks such as M. G. Bank etc.

Scope:

- This research will further be carried out for Different avenue n Insurance and emerging need for the risk factoring in Insurance industry in Indian economy.
- The scope of the study will help to the peoples for their choice of investment.
- The study will help to know the expectations of the insurance in future.
- This research paper would be further used for cost analysis for its establishment and successful implementation in rural as well as urban areas in economy. It could be helpful in preparing as well as studying gateway to map of technological and economical
- The scope of the study will help the company will find the problems of peoples investing in insurance.

Conclusion:

- To conclude, the survey results highlight some important facts, though ICICI Prudential may be comparatively competitive with other companies. The choice of people investing in insurance is more as 31% and awareness of ICICI Prudential Plans.
- 61% people get information from company advisors and satisfaction level of insurance is more as 58% it will shows that insurance is grow more in future days

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- Insurance being prime factor for security needs regular investment and the age and work profession is essential factor affecting the insurance as observed insurance for young generation is mostly taken care of by parents, further more if working companies do provide to employee.

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CRITICAL APPRAISAL OF BANK CONSOLIDATION WITH REFERENCE TO SBI

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ABSTRACT :

Banking sector plays a vital role in the capital construction of the country. They are confronted with numerous challenges, but in recent time NPA is the most significant challenge that the entire banking industry is facing. A very conventional immediate solution as considered by RBI, to help such banks with huge NPAs is by doing consolidation. As per RBI, the rationale behind doing it is for cutting costs and acquiring efficiency. On this note, 2017 witnessed a major consolidation where 6 associate banks were merged with State Bank of India with effect from 1 April 2017. It was performed in order to achieve numerous objectives, including the major ones like reducing NPA's, cost-cutting etc. This study deals withexploring the major rationale behind this merger and analyzing the extent up to which this merger helped in achieving the key expectations from this consolidation. Further, it also traces out the pre and posts merger analysis of the financial performance of SBI with special reference to its asset quality including NPAs, recoveries, returns on assets etc. The paper uses a case study based method and incorporates empirical financial statement data of the bank.

Keywords: *Merger, NPA, Asset Quality, Consolidation, Banks*

1. INTRODUCTION

1.1. Background

With the beginning of financial sector reforms 1991 the structure of Indian Banking sector has changedremarkably. The banking industry has changed positions gradually from a regulated environment to a deregulated market-based economy. With the emergence of globalization and liberalization, resulting in market advancement there has been an enormous change in the intermediation role of banks in India. This study deals with exploring the major rationale behind this merger and analyzing the extent up to which this merger helped in achieving the key expectations from this consolidation. Further, it also traces out the pre and posts merger analysis of the financial performance of SBI with special reference to its asset quality including NPAs, recoveries, returns on assets etc.

1.2. Objectives

1. To explore the rationale behind this mega consolidation of banks.
2. To analyze the pre and post financial performance with special reference to NPA.

1.3. RBI Guidelines for NPA

A Non-Performing Asset (NPAs) is illustrated as a credit facility in regard of which the interest and/or installment of principal has prevailed 'past due' for a specified period of time. These are the advances where the payment of interest or repayment of the amount in installment of principle or both remains unpaid for the particularextent, as per theNarasimhan committee those assets for duration of 180 days is should be characterized as NPAs. NPAs areloans, which hasceased to generate profit for the bank, it may be in the form of interest or recollection or re-payment of the principal amount. Non-performing Assets are endangering the stability and demolishing bank's profitability through a loss of interest income, write-off of the principal loan amount itself.

In 1993,RBI issued guidelines based on proposals of the Narasimham Committee that demanded lowering and identification of NPAs be considered as a national priority because the level of NPA act as an indicator reflecting the credit risks of bankers and efficiency of resource allocation of the financial reforms. It helped largely to suppress NPA in the Indian banking industry. Also, the earning capacity and profitability of the banks are highly affected due to this reform.

There are three major types of NPA as follows:

1. Standard Assets: These are those assets which do not hold more than normal risk. These are the normal performing assets. Banks earns the principle and the interest payment, normally from the borrowers.
2. Sub-standard Assets: It includes those assets which have been categorized as NPA for a period not surpassing two years. After 31 March 2015, a sub-standard asset is one, which has remained NPA for a period less than or equal to 18months The account holder coming in this class don't pay three instalments continuously after 90 days and up to 1year.
3. Doubtful Assets: These are those assets which have stayed NPA for a period surpassing two years. From 31 March 2015, an asset is to be categorized as doubtful, if it persisted as an NPA for a period surpassing18 months.
4. Loss Assets: In this category 100% provision is made by the banks to write off accounts of the holder. After this, the assets are provided to recovery agents for the sale.

1.4. RBI Policy for Mega-Mergers

With the rapidtransforming environment, the banking sector is exercising the process of corporate restructuring, consolidation and strengthening for retaining efficiency and viability. For this, Mergers and Acquisitions have become the best strategy by RBI and government for growth in the size of banks which in turn play a significant role in entering the global financial market. Besides, Mergers and Acquisitions are used widely for attaining higher market share, profitability, overall productivity,broadening branch networks, enhance their capital base, economies of scale, cost rationalization and manpower efficiency. This can be accomplished through cost lowering and increasing revenue. Other than RBI, the part of the Central government is also very crucialin the whole process as they play a significant role in the policy building for the advancement of Indian Banking.

1.5. Reasons of Consolidation for SBI

It was done in order to achieve various objectives and expectations. Chairman, Arundhati Bhattacharya has earlier indicated that the merger of associate banks is not a preference at the current moment. It was the cabinet decision to merge five SBI associate banks with SBI. There are a few economic aspects thataccelerate the mega-merging. Bhattacharya said that the gross NPA ratio would not increase too much as the bank has been operating to ensure that provisioning levels of the associate banks were elevated to SBI's standards. The bank predicts the merger to bring synergies in reorganization of some head, treasury undertakings and the resultant redeployment of some administrative staff in direct operations.

After this merger, it was anticipated that SBI will join the league of top 50 Banks in terms of Assets. Other expectations that they anticipated from this consolidation were as follows:

1. Branch rationalization was one of the major key synergy benefits from the merger.
2. The merger of SBI will result in the network growth of SBI and its range would multiply.
3. With this merger SBI will become 44th biggest bank in the world by assets.
4. Gross NPA and Net NPA of the amalgamated entity will reduce.
5. The merger has been regarded on account of shift in banking environment due to the emergence of a new area for adherence like Basel III, risk management etc., which require huge investment intechnology and compliance.

6. Now, the Bank can comparatively better concentrate on defaulters. Many people had taken numerous finances. With merger, they can come together under one roof that makes recovery easier.

1.6. Changing Structure after Consolidation

After merger, SBI is predicted to play againstthe vastest bank in the world, with an asset base of Rs 37 lakh crore, or over $555 billion, with 24000 branches and 58,700 ATMs. It will have around 50 crore customers.

After the Merger Combined	
Asset Base	37 Lakh Cr
Total Branches	24000
Total ATMs	58700
Total Customers	50 Cr

2. Research Methodology

Secondary data is used for achieving the objectives of research. The financial data isgathered from the bank's published annual reports to evaluate the consequence of mergers and acquisitions on the performance of banks taken as sample.

3. Data Presentation and Discussion

3.1. NPA Data

	2015	2016	2017	2018	2019
Gross NPA	56725.00	98173.00	177866.00	223427.00	172750.00
Gross NPA%	4.25%	6.50%	9.11%	10.91%	7.53%
NET NPA %	2.12%	3.81%	5.19%	5.73%	3.01%
Fresh Slippages + Increase in O/S	29444.00	64198.00	115932.00	100287.00	39740.00
Cash Recoveries / Up-gradations	13011.00	6987.00	32283.00	14530.00	31512.00
Write-Offs	21313.00	15763.00	27757.00	40196.00	58905.00
Recoveries in AUCA	2318.00	2859.00	3963.00	5333.00	8345.00
PCR	69.13%	60.69%	61.53%	66.17%	78.73%
Return on Assets %	0.76	0.46	0.41	-0.19	0.02

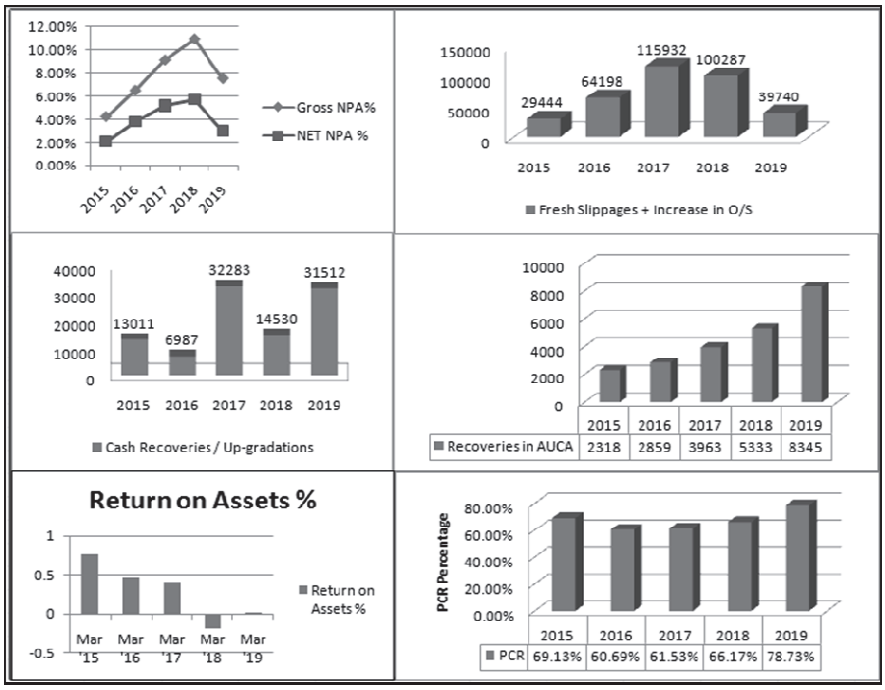

Figure 1: Data Charts

It can be seen from above thatthere is huge increase in NPAs in 2018, which is recovered to huge extent in 2019. This might be due to decrease in slippage, increase incash and AUCA recoveries.

3.2. NPA and Profitability Analysis

Correlation of GNPA and NNPA with ROA:

YEAR	GNPA (x)	NNPA(X)	ROA (y)
2015	4.25	2.12	0.76
2016	6.5	3.81	0.46
2017	9.11	5.19	0.41
2018	10.91	5.73	-0.19
2019	7.53	3.01	0.02

Hypothesis 1: There is a negative correlation between GNPA and determinants of profitability (ROA) of SBI.

Result: -0.82576

There is a high degree of negative correlation (-0.68). Thus hypothesis has been accepted that the negative correlation between GNPA and determinants of profitability (ROA) of SBI. It indicates that the generation of NPA affects profitability.

Hypothesis 2: There is a negative correlation between NNPA and determinants of profitability (ROA) of SBI.

Result: -0.59259

There is a high degree of negative correlation (-0.68). Thus hypothesis has been accepted that the negative correlation between NNPA and determinants of profitability (ROA) of SBI. It indicates that the generation of NPA affects profitability. It can be seen that profitability decreased post merger due to rise in NPA. However, SBI has recovered most of their bad loans fast and efficiently in 2019.

Even though, post consolidation the various performance indicators of SBI are encouraging, the bigger question some experts believe is the sheer size of the SBI in banking sector. Way back in 2013, the then RBI governor had expressed his concern, "Presently, (there is) significant skewness in the size of banks. The second largest bank in the system is almost one-third the size of the biggest bank. This creates a monopolistic situation." The second largest bank in India is just one-third the size of SBI. This would possibly create a monopoly in days to come and with further consolidation, RBI promotes such monopoly. Many experts are of the opinion that a country should have four-five banks with more or less equal share, as that would allow the spirit of competition and more importantly in the event of the underperformance or misgovernance that would not have serious ramification on the entire financial system.

Conclusion

In time when banking and financial sector is facing volatility, SBI in fact was looking forward to the consolidation as its profitability was showing a downward trend in the recent past. On account of this merger, SBI now figures into the top fifty banks in the world. However, with the falling profitability by almost Rs 3000cr post merger, investors sentiments needs to be addressed by benchmarking the governance and best practices, scaling the operations, and rationalisation of the costs.

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THE IMPORTANT ROLE OF ETHICS IN BUSINESS ACCOUNTING & FINANCIAL DECISION MAKING TODAY'S BUSINESS

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ABSTRACT :

Accounting is the process of describing business processes in numbers. For a company's accounting to truly represent what is going on in its financial arena, its bookkeeping numbers must be honest and accurate. Honesty and accuracy in accounting are ethical as well as financial issues. Bookkeepers and accountants have a responsibility to represent information in ways that genuinely represent what is going on in the business. Failure to do so can have consequences for business owners, stakeholders and tax reporting agencies

Ethics is a term that refers to a code or moral system that provides criteria for evaluating right and wrong. An ethical dilemma is a situation in which an individual or group is faced with a decision that tests this code. Many of these dilemmas are simple to recognize and resolve. For example, have you ever been tempted to call your professor and ask for an extension on the due date of an assignment by claiming a fictitious illness? Temptation like this will test your personal ethics.

Accountants, like others operating in the business world, are faced with many ethical dilemmas, some of which are complex and difficult to resolve. For instance, the capital markets' focus on periodic profits may tempt a company's management to bend or even break accounting rules to inflate reported net income. In these situations, technical competence is not enough to resolve the dilemma.

Today's business manager needs the know-how to navigate the financial information when making decisions. Understanding finance is crucial to obtaining project funding, anticipating business trends or evaluating company performance. You cannot make decisions unless you understand how the money flows.

The Financial Decision Making module will provide you with an understanding of balance sheets, income statements, cash flow statements and other financial disclosures, and how this information relates to key variables in management decisions.

Key Words:-*Business Accounting, Professional Ethics,Ethical Decision,Decision Making.*

Ethics & Professionalism

One of the elements that many believe distinguishes a profession from other occupations is the acceptance by its members of a responsibility for the interests of those it serves. A high standard of ethical behavior is expected of those engaged in a profession. These standards often are articulated in a code of ethics. For example, law and medicine are professions that have their own codes of professional ethics. These codes provide guidance and rules to members in the performance of their professional responsibilities.

Public accounting has achieved widespread recognition as a profession. The AICPA, the national organization of professional certified public accountants, has its own Code of Professional Conduct which prescribes the ethical conduct members should strive to achieve. Similarly, the Institute of Management Accountants (IMA)—the primary national organization of accountants working in industry and government—has its own code of ethics, as does the Institute of Internal Auditors—the national organization of accountants providing internal auditing services for their own organizations.

Analytical Model ForEthical Decision

Ethical codes are informative and helpful. However, the motivation to behave ethically must come from within oneself and not just from the fear of penalties for violating professional codes. Presented below is a sequence of steps that provide a framework for analyzing ethical issues. These steps can help you apply your own sense of right and wrong to ethical dilemmas:41

Step 1. Determine the facts of the situation. This involves determining the who, what, where, when, and how.

Step 2. Identify the ethical issue and the stakeholders. Stakeholders may include shareholders, creditors, management, employees, and the community.

Step 3. Identify the values related to the situation. For example, in some situations confidentiality may be an important value that may conflict with the right to know.

Step 4. Specify the alternative courses of action.

Step 5. Evaluate the courses of action specified in step 4 in terms of their consistency with the values identified in step 3. This step may or may not lead to a suggested course of action.

Step 6. Identify the consequences of each possible course of action. If step 5 does not provide a course of action, assess the consequences of each possible course of action for all of the stakeholders involved.

Step 7. Make your decision and take any indicated action.

Accountability

Businesses are accountable to a range of shareholders, from partners, to investors, to customers. Shareholders, partners and investors deserve to know the truth about your company's finances because this information is critical to sound investment decisions. Customers, as well, may be entitled to know whether your company is financially healthy if they enter into transactions that depend on its longevity. For example, a customer taking out a mortgage has a stake in working with a bank that is financially stable and a customer renting a storage unit has a stake in the storage company's ongoing solvency.

Planning

Accountants and bookkeepers have a responsibility to provide the business owners who employ them with accurate information that facilitates sound planning. This obligation involves providing accurate information, and providing it in a time frame that is prompt enough to be relevant. If your bookkeeper takes his time compiling profit and loss statements that could tell you that your business is spending too much on payroll, you may miss an opportunity to improve the situation before it puts your business in jeopardy.

Taxes

Your company has a legal obligation to report financial information fairly and accurately on tax forms. Providing inaccurate information to tax agencies may lower your tax burden, but you will be subject to fines and perjury charges if you are caught. Ethical accounting practices ensure that your tax forms will be completed in a way that keeps your conscience clear and keeps you out of trouble.

Perception

Honest and ethical accounting helps to create a positive image for your business. When a company makes news for dishonest accounting, it loses the trust of current and potential customers. This is especially important with industries that depend on strong working relationships with their customers. In 2002, the accounting firm Arthur Andersen surrendered its license to practice after being involved in the Enron scandal, and its reputation and credibility were severely compromised even after the surrender ruling was overturned in 2005.

Why are Ethics Important in Business Accounting?

Proper ethics and ethical behavior are extremely important in accounting for a variety of reasons. To begin with, accountants are often privy to sensitive information regarding their clients, such as Social Security or bank account numbers. This gives accountants a good deal of power in regard to their clients and it is important that the trust between an accountant and their clients not be abused. In the same way it is important that the industry itself does not become stigmatized as an unethical one, something that could potentially harm business for all accounting firms.

The discussion of accounting ethics has declined in recent years as the Enron and WorldCom debacles have receded from memory. Furthermore, the perceived excesses and criticism of the Wall Street crowd during the financial crisis has further pushed something as unglamorous as accounting ethics out of the public eye. Recent events have, if anything, reinforced the need for the practitioners of accounting to act in an ethical manner and fairly portray the financial performance of the entities they work for. In today's world the complexity and sheer scale of many corporate transactions has made the need for a transparent and fair assessment of the obligations (liabilities) and value (assets) of these transactions.

Further importance is laid on the application of ethical accounting behaviour by the fact that, even if they don't know it, the vast majority of people are impacted every day by the decisions of accountants they never meet. These people contribute to pensions, work for companies, actively invest, or are in some other way a stakeholder in a company somewhere. In a broad definition like that pretty much every individual is in some way impacted by the decisions and actions an accountant makes. This is not said to glorify the importance of the profession but more to underline the importance of these individuals applying high ethical standards to their work. This will become even more important in the United States as the US moves further away from US Generally Accepted Accounting Principles (US GAAP) and aligns with International Financial Reporting Standards (IFRS). These accounting guidelines frame the way in which transactions and balances are assessed and reported. Under US GAAP rules are far clearer and guidance very direct, while under IFRS the application of professional judgement is emphasized to a higher degree.

What Can Result from Poor Ethics in Business Accounting?

Many negative consequences can result from poor ethics in accounting practices. The first result is generally a lag in business. Accounting firms rely heavily on word-of-mouth for promotion, and it's all too easy for a few bad stories about unethical behavior to sway prospective clients away from a particular firm. There can also be

serious legal repercussions for those who are found to be violating legal codes and standards for their jurisdiction.

What Can I Do to Be an Ethical Business Accountant ?

To begin with, study your area's legal statutes regarding accounting practices. While it is true that what is legal and what is ethical can be two different things, the legal code is a good basic guide to help you understand the prevailing feeling towards what is right. Likewise, make sure that you always put the interests of your clients ahead of your own, that you safeguard client information doggedly and never behave in a fashion that you know to be wrong while handling accounting work.

Who regulates Accounting Ethics?

With such a small group of individuals being required to operate ethically, who makes sure this is being done? Most national accounting bodies form their own ethics committees that are responsible for establishing ethical guidelines and enforcing those guidelines. In America the American Institute of Certified Public Accountants has an ethics committee that sets these standards at a national level, in participation with the state level institutes. Enforcement is also performed by these bodies and can see accountants suspended or stripped of their accounting designation for unethical behaviour. For many accountants that, aside from personal values, is the main disincentive to committing an unethical act as the loss of their designation means the loss of their jobs and ability to work. Enforcement is also performed by various legal bodies as well as the SEC, which has punished accountants and accounting firms for various unethical behaviours. Many are critical of this arrangement as it leaves the management and guidance of ethical accounting in the hands of the accountants themselves. That said this is countered by the argument that those involved in the profession have a vested interested in maintaining the professions public image and reputation. So while accounting ethics may sound boring and abstract it is something that has an impact the lives of most people. While no one is going to provide accolades for the daily ethical decisions made, we all see the impact of when unethical decisions are made and can see how the lives and savings of people can be impacted.

Why is ethics helpful to business decision making?

Ethics concern an individual’s moral judgements about right and wrong. Decisions taken within an organisation may be made by individuals or groups, but whoever makes them will be influenced by the culture of the company. The decision to behave ethically is a moral one; employees must decide what they think is the right course of action. This may involve rejecting the route that would lead to the biggest short-term profit.

Ethical behaviour and corporate social responsibility can bring significant benefits to a business. For example, they may:

- Attract customers to the firm's products, which means boosting sales and profits
- Make employees want to stay with the business, reduce labour turnover and therefore increase productivity
- Attract more employees wanting to work for the business, reduce recruitment costs and enable the company to get the most talented employees
- Attract investors and keep the company's share price high, thereby protecting the business from takeover.

Knowing that the company they deal with has stated their morals and made a promise to work in an ethical and responsible manner allows investors' peace of mind that their money is being used in a way that arranges with their own moral standing. When working for a company with strong business ethics, employees are comfortable in the knowledge that they are not by their own action allowing unethical practices to continue. Customers are at ease buying products or services from a company they know to source their materials and labour in an ethical and responsible way.

For example, a coffee company which states all their raw beans are picked from sustainable plants where no deforestation has occurred, by people paid a good living wage, in an area where investments have been made to ensure that producing the coffee for a foreign market has not damaged the local way of life, will find that all these elements of their buying strategy becomes a selling point for their final product.

A company which sets out to work within its own ethical guidelines is also less at risk of being fined for poor behaviour, and less likely to find themselves in breach of one of a large number of laws concerning required behaviour.

Reputation is one of a company's most important assets, and one of the most difficult to rebuild should it be lost. Maintaining the promises it has made is crucial to maintaining that reputation.

Businesses not following any kind of ethical code or carrying out their social responsibility leads to wider consequences. Unethical behaviour may damage a firm's reputation and make it less appealing to stakeholders. This means that profits could fall as a result.

The natural world can be affected by a lack of business ethics. For example, a business which does not show care for where it disposes its waste products, or fails to take a long-term view when buying up land for development, is damaging the

world in which every human being lives, and damaging the future prospects of all companies.

Ethics is important to businesses for many reasons. Businesses can increase sales or increase their reputation.

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TO STUDY THE IMPACT OF GOODS & SERVICE TAX ON TOURISM SECTOR

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ABSTRACT :

India's prevalent tax reform up till now has been met with an identical measure of commend and criticism. While the implementation of the Goods and Service Tax promises to add a significant edge to the Indian economy, by reducing costs for customers, integrating taxes, and reducing business transaction costs, it will also increase costs for businesses as well the burden of compliance. The hospitality and tourism industry is one such sector in the economy that is deliberating over the new tax regime. Hospitality is one of the most competitive and steadily growing industries in the country. The tourism industry contributes nearly $136 billion to India's GDP and is expected to further grow to US$ 280.5 billion by 2026. Hospitality and tourism are also among the highest employment generating sectors and among the top 10 sectors in the country with the highest volume of foreign direct investment. In addition to being one of the top sources of foreign exchange, tourism is also among the highest tax generating sectors in the country. The paper aims to address, to examine the impact of GST on Travel and Tourism industry in India.

Keywords *:GST, Tourism Sector, Tourist, Hospitality Industry.*

INTRODUCTION

"Athithidevobhavha" (Guest is God) has been one of central tenets of Indian culture since times immemorial.

Indian Tourism sector is one of the great contributors to the economy. Tourism represents world's third largest export avenue in terms of global earnings after fuel and chemicals. Modern tourism is closely linked to socio- economic development. Tourism is responsible for one out of 11 jobs and 10% of the world's economic output. Apart from providing employment, income and foreign exchange for the country, the trade in the tourism sector has an economically positive impact on other associated industries such as food manufacturing, services, construction, agriculture, handicrafts etc.

Total contribution by travel and tourism sector to India's GDP is expected to increase from US$ 136.3 billion in 2015 to US$ 275.2 billion in 2025. The growth rate of the tourism sector of Indian economy was recorded as 17.3% in the previous year. The foreign exchange earned by tourism sector is worth 21,828 crore rupees.

Hospitality is not only a high foreign exchange grosser; it is also among the largest tax generators. There are multiple taxes charged on the same Service/ Product offering by the Central as well as State Governments. It is an understanding that the Taxes levied on Inbound Tourism is amongst the highest in the country, and this is one of the major reasons for India losing Foreign Tourists to competing South East Asian Countries.

According to report of the World Travel and Tourism Council (WTTC), India's travel and tourism sector ranks 7th in the world regarding its aggregate commitment to the nation's GDP.

For raising the awareness on the importance of tourism for the country's economy, January 25th is marked by the Indian government to be observed as the National Tourism Day in India

Objectives:

- To understand the impact of GST on Tourism industry.
- To evaluate the effect of pre and post GST impacts on Tourism and Hospitality industries in India

Methodology: secondary data collected from various articles, magazines, news papers.

GST IMPACT ON TOURISM SECTOR

1. Pre and Post GST: How the Situation Has Changed

The hospitality industry, like every other sector in the Indian economy, was liable to pay multiple taxes (VAT, luxury tax, and service tax) under the previous VAT regime. A hotel where the room tariff exceeded INR 1,000 was liable for service tax at 15 percent. An abatement of 40% was allowed on the tariff value, thus bringing the effective rate of service tax down to 9%. The Value Added Tax (ranging between 12 percent to 14.5 percent) and luxury tax, would apply on top of this. However, for restaurants, there was 60% abatement which meant that the service tax was charged at an effective rate of 6% on the F&B bills, apart from VAT (12 percent to 14.5%). Bills for bundled services like social functions (seminars, marriage etc.), were taxed with an abatement of 30%. The cascading effect of the VAT regime where the end consumer paid a tax on tax, increases the end cost. Hoteliers and hospitality

businesses did not get any input tax credit on the taxes they paid, as central taxes like service tax, could not be set off .

2. Under the GST Regime

Under the Goods and Service Tax, the hospitality sector stands to reap the benefits of standardized and uniform tax rates, and easy and better utilization of input tax credit. As the final cost to end user decreases, we can expect the industry to attract more overseas tourists than before. This would ideally result in improved revenues for the government, and there are many pros to this new tax regime which could help the industry's growth in the long run. For instance, complementary food (like breakfast) was taxed separately under VAT, but now it will be taxed under GST as a bundled service. Let's have a look at the rates for this industry in detail:

Impact of GST on Tourism Sector

SR.No	Particulars	Place of supply	Applicable Taxes
1.	Room with rental uptoRs. 2000.	Location of Hotel, Guest House, Club, Resort, boat, vessel	No Tax
2.	Room with rental from Rs. 2000 to Rs. 7500	Location of Hotel, Guest House, Club, Resort, boat, vessel	18%
3.	Room with rental above Rs. 7500	Location of Hotel, Guest House, Club, Resort, boat, vessel	28%
4	Restaurant Services turnover of less than Rs 50 lakh	Location of Restaurant	5%
5	Non-AC restaurants	Location of Restaurant	12%
6	AC restaurants	Location of Restaurant	18%
7	5 star rated	Location of Restaurant	28%
8	Rent a Cab Services / Air Tickets/Train Tickets/Cruise & Ship Services/State Transport Service	Location of Service Recipient if recipient is registered	5%

POSITIVE IMPACT

Tourism sector shall be impacted both positively and negatively under the GST regime.

Positive

1. Uniformity in Taxes

The multiple taxes would be replaced by one single tax, the rate of which is likely to be between 16%-18%. The sector may benefit in the form of lower tax rates which should help in attracting more tourists in India.

2. Increased Revenue for State Government

- Under GST the place of supply is shifted to the place where immovable property is situated in case of Hotels, Restaurant & Monuments for sightseeing. This will increase the revenue of such states where immovable property is located. Currently, on such income, States charges local Luxury Tax on hotel stay and VAT on food supplied. While Union Government gets revenue from Service Tax on such services. Because of GST, the States having maximum tourist places, hotels or restaurants for tourist shall earn the maximum revenue by way of SGST which will be equivalent to CGST.
- In the case of Passenger traveling, the state with the maximum outbound journey shall earn the highest revenue so the station or the port having highest outbound flights, train journey or local cab journey shall earn substantial revenue.

3. Saving in Food and Beverage operations

Companies specializing in food and beverages operations could be the biggest beneficiaries of GST within the hospitality sector. Food and beverages bills have multiple components which inflate the bills by 30- 35%. It is expected that GST to result in savings of 10-15% on the overall bill.

Negative

1. Multiple Registrations

Service providers having centralized registration will have to get registered in each state from where they provide services. Although Government has been claiming "One Nation One Tax", practically it is not going to be so. Service providers will have an option to take different registration for separate business verticals which need to be examined on a case by case basis. Every state has been constitutionally granted right to collect GST on services.

2. Increased Compliance Burden

The procedure for all the invoices/receipts towards inward and outward supplies will become cumbersome as each one of them will have to be uploaded in the system. The concept of credit matching under GST would be very difficult to handle and would lead to increase in working capital requirements.

The frequency and number of returns to be filed will go up. In place of a half yearly service tax return, under GST law, one will be required to file state wise monthly three GST returns along with an annual return will also be required to be filed.

3. No Credit on Work Contract Services

The hotel industry spends a lot of money on construction and renovation. The money paid as taxes on the works contract services when supplied for construction of an immovable property is not allowed for this sector when such services are not used for the further supply of works contract service. This would have a negative cascading effect despite strong promises being made by the government in this regard.

Any proposal to make supplier of goods or services liable to pay tax under reverse charge when receiving supply from an unregistered supplier can increase burden in case of B2B transactions on registered assesses.

4. Liquor not included

Liquor should have been included in GST to ensure the seamless credit for the tourism industry. Exclusion of liquor from GST regime defeats the very purpose of bringing in a uniform tax structure across the nation.

IMPACT ON CONSUMERS

In Pre GST era, there was a composite levy of both Service tax i.e. 6%, as well as, Value Added Tax i.e. 14.5% (Vary from State to State) on food and beverages served by hotels and restaurants which finally put the burden of 20.5% in the pocket of ultimate consumers. However, some relief was provided for Non-AC Restaurants supplying food and beverages as no service tax was levied on these restaurants.

Post GST, the scenario shall be completely different. As discussed above that supply of food and drinks in a restaurant shall be treated as a supply of services. Hence, only GST shall be levied on such services @ 18% which saves around 3% as compared to the previous regime.

Erstwhile, Non AC Restaurants were exempt from levy of Service Tax. But State vat was charged at 12%. In Present System, Restaurant not having the facility of air-conditioning or central heating at any time during the year and not having a licence to serve liquor is liable to tax at GST Rate of 12%. Overall things shall continue to remain status quo as far as pricing goes.

Further, staying in a good hotel is going to be very costlier as the rate of tax has been doubled from 9% to 18%. Even Luxury Hotels of 5 stars or above-rated charging room rent Rs. 7,500/- or above will attract 28% tax.

The Pros of GST

1. Administrative Ease

GST will abolish several other taxes, leading to a reduction in procedural steps and more chances to streamline the taxation process.

2. Clarity for Consumers

It was sometimes difficult to differentiate between a Value Added Tax and an entertainment tax for the common man. However, under the GST regime customers will see only a single charge on their bill and it would give them a clear picture of the tax they are paying.

3. Improved Quality of Service

How many times have you had to wait in the hotel lobby wondering if you would miss your flight back home because your bill was still being prepared? With just one tax to compute, the checking-out process at hotels and restaurants will now become easier – another perk that the hospitality industry can brag about.

4. Availability of Input Tax

The tourism and hospitality industry will find it easier to claim and avail input tax credit (ITC) and will get full ITC on their inputs. Before GST, the tax paid on inputs (raw edibles for food, cleaning supplies etc.) could not be adjusted against the output without any complications. However, this will become easier in the GST regime.

The Cons of GST

1. Increased Technological Burden

When the service tax was first introduced, there were a lot of mix ups. GST, thankfully, has very clear guidelines on how each industry needs to manage their accounts and file returns but it will require businesses to become technologically adept, increasing the technological burden and cost for compliance.

2. Increased Costs

In Maharashtra, for instance, hotel rooms were earlier taxed at 19% and food and beverage at 18.5%. Even with GST charged at 18%, there is only a minimal cost reduction in both cases. Businesses will also look to recover the additional cost of technology and new systems from their customers, which might – in some instances – lead to higher tariffs.

3. Lack of Parity with Asian Counterparts

As India becomes an even bigger player in the global hospitality and tourism industry, we need services to be at par with global rates. Our Asian neighbors such

as Japan and Singapore have very low tax rates for their hospitality sector (8% and 7% respectively) which is an important reason for them ranking high on tourist wishlists. India is a global tourism hotspot, but it still loses out on the backpacker crowd due to these high rates.

Impact of GST

1. Export of services definition

The Export of services does not include the hospitality and tourism sector as per GST Bill draft. Therefore, to be able to know the benefits in this sector, the definition needs to be updated.

2. Effect of taxes

The hotel and tourism industry are one of the industries which are levied with multiple of taxes. There are mainly three taxes involved i.e. the VAT and luxury tax by the state govt. and the Service tax by the central govt. The value of Vat tax varies from 12 to 14.5% according to state. The luxury tax varies from zero to 12% depending on room type and state whereas the service varies according to the type of service provided.

When all these three taxes are combined, the taxes go up to 20 to 27%. With the implementation of GST, the cascading taxes would combine and a single tax regime would reduce it to just 17 to 19%. The tourism and hotel industry will thus be benefitted as more tourists will visit India due to the low tax rate. However, as the luxury tax is not levied on all transactions, GST would be high or at par in such case.

3. Impact on electricity and alcohol

One of the worries of the hotel industry is the non-inclusion of electricity and alcohol tax in GST. There won't be a single GST for the same. Hotels are known to consume tolls of electricity and not covering it under GST means not being able to fetch benefit from the input credit of the two items.

4. Taxes paid on renovation and construction

A huge amount is spent on renovation and construction by the hotel industry. The taxes levied on the cost of construction and renovation will not be included in GST to input credit and set off taxes paid on the services as they are subject to variation.

5. R&D cess

The research and development cess applicable on technical know-how and franchise fees are likely to be a part of GST regime.

So, this is how hotel and tourism industry would likely be affected or rather be impacted by the GST.

HIGHLIGHTS OF NEW GST RATES

Current Tax Rate on Hotel Industry

The tax regime under the current tax rate system with respect to the rates for the state of Madhya Pradesh is discussed. While the rates may vary subject to the state.

The taxability on luxuries (services) provided in a Hotel can be summarized as under:-

- The owners of Hotels are liable to pay tax @10% on the turnover.
- Rs.10 lacs of turnover per annum is the threshold limit for being liable to pay tax.
- If the rate of charges per day is Rs. 3000/- or less, there is no payment of Luxury Tax on hoteliers.
- There is a exemption from payment of Luxury Tax for a period of 5 years or 8 years depending upon the location of the Hotel for the Hotels newly formed.
- There is no Service Tax on services provided in a Hotel.

Tax liability on Hotels under GST regime

- Luxury Tax on services provided in a Hotel is leviable @10% on receipt basis.
- All services under GST regime are to be taxed @18% on the transaction value of supply of services while the present rate of Service Tax is 15%.
- Hotels and lodges charging per day tariff of Rs 2,000 will be exempt from GST. Rate for hotels with tariff of Rs 2,000 to 7,500 per day would be 18 per cent while GST rates for hotels charging Rs 7,500 and more tariff per day for room will have to pay 28 per cent.
- The threshold limit under GST regime on supply of services is aggregate turnover of Rs.20 lacs per annum.
- The supplier of Hotel services will be entitled to input tax rebate on the inputs, capital goods and input services used by them in the course or furtherance of business.
- Alcoholic liquor for human consumption being a super luxury, it may attract a higher rate in the interest of state revenue.
- No Input Tax credit will be available to sale of alcoholic liquor for human consumption as it is outside the GST regime.

HOTEL BOOKINGS:

GST on hotel services will depending on the kind of room you stay in. If the room tariff is less than Rs 1,000, your stay will be tax-free. However, if the room tariff is between Rs 1,000 – Rs 2,500, you'll be taxed 12%. If the tariff is between Rs 2,500 to Rs 7,500, the stay will be taxed 18%. For luxury hotels, where the tariffs are more than Rs 7,500, GST tax rate of 28% will be applicable.

RESTAURANT:

There are different tax slabs for restaurants depending on their turnover and whether they have air-conditioning or not.Restaurants with a turnover of less than Rs 50 lakh will be levied a tax rate of 5%. Non-AC restaurants will be charged 12% Goods & Service tax on food bill. Tax rate for AC restaurants and those with the liquor license will be 18%, whereas restaurants in 5-star hotels will attract a GST rate of 28%

Restaurants with a turnover of less than Rs 50 lakh will be levied a tax rate of 5 percent.

Non-AC restaurants will have a 12% tax rate. AC restaurants will have to shell out 18% tax.

Hotels, lodges with tariffs less than Rs 1,000 will be taxed at 0%.

Hotel lodges with tariffs between Rs 1,000 – Rs 2,500 will be charged 12% tax

Hotel lodges with tariffs between Rs 2,500 – Rs 7,500 will be charged 18% tax

Hotel lodges with tariffs above Rs 7,500 will be charged 28% tax

Restaurant under GST regime

Sr.no.	Services	Rate of Tax
1.	Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation less than one thousand rupees per day or equivalent	Exempted Services.
2.	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having room tariff Rs.1000 and above but less than Rs.2500 per room per day.	12%
3.	Renting of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes where room tariff of Rs 2500/ and above but less than Rs 7500/- per room per day.	18%
4.	Accommodation in hotels including 5 star and above rated hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, where room rent is Rs 7500/- and above per night per room.	28%

Sr.no.	Services	Rate of Tax
5.	Supply of Food/drinks in restaurant not having facility of air-conditioning or central heating at any time during the year and not having license to serve liquor.	12%
6.	Supply of Food/drinks in restaurant having license to serve liquor.	18%
7.	Supply of Food/drinks in restaurant having facility of air-conditioning or central heating at any time during the year.	18%
8.	Supply of Food in catering service	18%

Basic Room	Before GST	After GST
Room Tarriff	2,700	2,700
Luxury Charge on stay charges (10% as per Maharasthra)	270	
Service tax @9%	243	
GST@18%		486
Total	**3,213**	**3,186**
Room with Complimentary Breakfast	**Before GST**	**After GST**
Room Tarriff	2,200	2,200
Complimentary breakfast	500	500
Luxury Charge on stay charges (10% as per Maharasthra)	220	
Service tax @9%	198	
VAT@14.5% on food	73	
GST@18%		486
Total	**3,191**	**3,186**
Luxury with Complimentary Breakfast	**Before GST**	**After GST**
Room Tarriff	8,000	8,000
Complimentary breakfast	2,500	2,500
Luxury Charge on stay charges (10% as per Maharasthra)	800	
Service tax @9%	720	
VAT@14.5% on food	363	
GST@28%		2,940
Total	**12,383**	**13,440**

TRANSPORT SECTOR

Taxation on transport sector at a national level will result in

- more efficient cross-state transportation
- less paperwork for road transporters
- bringing down logistics costs

Presently, all 29 states collect taxes at different rates on goods that move across their borders. As a result, tax on freight is collected multiple times. Also, there are long delays at interstate checkpoints owing to review by state authorities who examine and apply the relevant taxes and other levies. Truck delays are an average 5-to-7 hours at interstate checkpoints. The planned GST system for transport sector seeks to

replace around 15 state and federal taxes and tariffs for a single tax at the point of sale. GST will, thus, score over the existing regime in the transport sector.

Roadways

- Cab rides could get marginally cheaper for customers. The incidence of tax will come down to **5% from 6%** for bookings made on cab aggregators like Ola and Uber.
- 100% tax will be payable by E-commerce aggregator under **reverse charge** mechanism for service of Radio taxi or Passenger Transport Services provided by a Taxi driver or Rent-a-cab operator to any person.
- Moreover, buses (including mini-buses) and pick-up vans, **carrying more than 10 individuals,** will be subject ed to **no extra cess**.

Airways

Under the new regime,

- The tax rate for **economy** class flight tickets lowered to 5%.
- **Business** class tickets will attract a higher tax at **12**%.

Comparison of Prices

With this reduction in rates on domestic air travel, budget traveling will clearly get better.

Example – Economy Class base fare – Rs. 2000

FARE(before GST)	AMOUNT	FARE (after GST)	AMOUNT
Base fare	2000	Base fare	2000
Airline fuel charge	700	Airline fuel charge	700
CUTE charge	50	CUTE charge	50
Passenger service fee	239	Passenger service fee	239
User development fee	150	User development fee	150
Airline service tax@5.6%	154	Airline service tax@5%	137.5
Other surcharge	12	Other surcharge	12
Total fare	3305	Total fare	3288.5

However, business class travel is going to get costlier with a marginal increase from 9% to 12%.

Example – Business Class base fare – Rs. 8000

FARE(before GST)	AMOUNT	FARE (after GST)	AMOUNT
Base fare	8000	Base fare	8000
Airline fuel charge	2800	Airline fuel charge	2800
CUTE charge	200	CUTE charge	200
Passenger service fee	700	Passenger service fee	700
User development fee	400	User development fee	400
Airline service tax@5.6%	1016.4	Airline service tax@12%	1320
Other surcharge	100	Other surcharge	100
Total fare	13216.4	Total fare	13520

A frequent flier will definitely find the impact of GST on air fares. Also, the reduction in tax rates is a positive development for low-cost domestic carriers as a major portion of the revenue generated from airlines comes from economy travelers.

- Airlines can only claim Input Tax Credit on input services for the economy class.
- But for the business class, they can claim ITC for only spare parts, food items, and other inputs, apart from fuel.

Railways

The transport sector is the most crucial part of a business chain. Roadways will have an advantage in GST on short distances while Railways will se the impact on long distance travels.

- Non AC train travel (including in local trains and metro) has been exempt
- AC train travel will attract 5 %. Ticket prices for AC trains will increase marginally as current service tax is at 4.5 %.
- The rate is kept low as they will not be allowed Input Tax Credit

Exemptions under railways

- Travelling in metro;
- Local trains; and
- Religious travel including Haj yatra

Waterways

GST will be applicable on –

- Transport of coastal goods;
- Transport through National waterways; or
- Transport through Inland waterways services

Exemptions under Transportation

Transportation by:

- **Road except** the services of—

1. a goods transportation agency; or
2. a courier agency.

- **Inland waterways –** Transport of passengers
- Air, going to or coming from airport located in Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, or Tripura or at Bagdogra (West Bengal)
- **Non-AC contract carriage** other than

Radio taxi or for the Transportation of passengers (excluding tourism, conducted tour, charter or hire)

CONCLUSION

Companies specializing in food and beverages operations could be the biggestbeneficiaries of GST within the hospitality sector. Food and beverages bills havemultiple components and can inflate the bills by 30-35%. A single-slab tax willbenefit consumers and should lead to savings of 10-15% on the overall bill.

The restaurant industry has been burdened with high and multiple taxations.

However, liquor should be included in GST. Exempting it defeats the very purposeof bringing in a uniform single tax structure. This allows states to have their owntaxes without a cap with separate accounting requirements and results in doublecompliance for the restaurant / hotel industry. This is neither beneficial for 'Ease ofdoing business' nor for the customers,

"Everybody likes consolidation of taxes as it leads to greater transparency and willhelp guests and buyers understand overall costs. We welcome the development,"said Raj Rana, CEO, South Asia, for hotel group Carlson Rezidor.Some states have luxury tax and that impacts room rates. If India aspires to be competitive, then the tax structures too need to be competitive."

Luxury and other service taxes in hospitality amount to more than 22%, compared with the proposed 18% under the GST regime. Overall, GST should be positive for the sector assuming the multiplicity of taxes will go away in food and beverages.

The lacunas in the present regime of indirect taxation in India demands for the major breakthrough in this field for facilitating the ease of doing business effectively and efficiently. Hopefully, GST is going to be pinnacle which aims at evolving an efficient and harmonized consumption or destination based tax system and will

remove the problems faced by the sector leading to cost optimization and free flow of transactions.

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A STUDY OF NON BANKING FINANCIAL INSTITUTIONS

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ABSTRACT :

The study investigates various aspects {eg. Financial Institutions, Profitability, Liquidity, Operating Efficiency} of Non Banking Financial Institutions {NBFIs} of India. A non-banking financial company {NBFC} is a company registered under the Companies Act , 1956 and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business , chit business, but does not include any institutions whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property.

Main purpose of this study is to know what is a Non-Banking Financial Company {NBFC} & how does it differ from a bank.

Key words – *NBFC's, Funds, Financial Services, Economy.*

Non Banking Financial Institution

A non bank financial institution (NBFI) is a financial institution that does not have a full banking license and cannot accept deposits from the public. However, NBFIs do facilitate alternative financial services, such as investment (both collective and individual), risk pooling, financial consulting, brokering, money transmission, and check cashing. NBFIs are a source of consumer credit (along with licensed banks). Examples of nonbank financial institutions include insurance firms, venture capitalists, currency exchanges, some microloan organizations, and pawn shops. These non-banks financial institutions provide services that are not necessarily suited to banks, serve as competition to banks, and specialize in sectors or groups.

Risk Pooling Institutions

Insurance companies underwrite economic risks associated with death, illness, damage to or loss of property, and other risk of loss. They provide a contingent promise of economic protection in the case of loss. There are two main types of insurance companies: life insurance and general insurance. General insurance tends to be short-term, while life insurance is a longer contract, ending at the death of the

insured. Both types of insurance, life and property, are available to all sectors of the community. Because of the nature of the insurance industry (companies must access a plethora of information to assess the risk in each individual case), insurance companies enjoy a high level of information efficiency.

Life insurance companies insure against economic loss of the insured's premature death. The insured will pay a fixed sum as an insurance premium every term. Because the probability of death increases with age while premiums remain constant, the insured overpays in the earlier stages and underpays in the later years. The over payment in the early years of the agreement is the cash value of the insurance policy.

General insurance is further divided into two categories: market and social insurance. Social insurance is against the risk of loss of income due to sudden unemployment, disability, illness, and natural disasters. Because of the unpredictability of these risks, the ease at which the insured can hide pertinent information from the insurer, and the presence of moral hazard, private insurance companies frequently do not provide social insurance, a gap in the insurance industry which government usually fills. Social insurance is more prevalent in industrialized Western societies where family networks and other organic social support groups are not as prevalent.

Market insurance is privatized insurance for damage or loss of property. General insurance companies take a single premium payment. In return, the companies will make a specified payment contingent on the event that it is being insured against. Examples include theft, fire, damage, natural disaster, etc.

Contractual Savings Institutions

Contractual savings institutions (also called institutional investors) provide the opportunity for individuals to invest in collective investment vehicles in a fiduciary rather than a principle role. Collective investment vehicles invest the pooled resources of the individuals and firms into numerous equity, debt, and derivatives promises. The individual, however, holds equity in the CIV itself rather what the CIV invests in specifically. The two most popular examples of contractual savings institutions are mutual funds and private pension plans.

The two two main types of mutual funds are open-end and closed-end funds. Open-end funds generate new investments by allowing the public buy new shares at any time. Shareholders can liquidate their shares by selling them back to the open-end fund at the net asset value. Closed-end funds issue a fixed number of shares in an IPO. The shareholders capitalize on the value of their assets by selling their shares in a stock exchange.

Mutual funds can be delineated along the nature of their investments. For example, some funds make high-risk, high return investments, while others focus on tax-exempt securities. Still others specialize in speculative trading (i.e. hedge funds), a specific sector, or cross-border investments.

Pension funds are mutual funds that limit the investor's ability to access their investment until after a certain date. In return, pension funds are granted large tax breaks in order to incentivize the working public to set aside a percentage of their current income for a later date when they are no longer amongst the labor force (retirement income).

Other Non Bank Financial Institutions

Market makers are broker-dealer institutions that quote both a buy and sell price for an asset held in inventory. Such assets include equities, government and corporate debt, derivatives, and foreign currencies. Once an order is received, the market maker immediately sells from its inventory or makes a purchase to offset the loss in inventory. The difference in the buying and selling quotes, or the bid-offer spread, is how the market-maker makes profit. Market makers improve the liquidity of any asset in their inventory.

Specialized sectoral financiers provide a limited range of financial services to a targeted sector. For example, leasing companies provide financing for equipment, while real estate financiers channel capital to prospective homeowners. Leasing companies generally have two unique advantages over other specialized sectoral financiers. They are somewhat insulated against the risk of default because they own the leased equipment as part of their collateral agreement. Additionally, leasing companies enjoy the preferential tax treatment on equipment investment.

Other financial service providers include brokers (both securities and mortgage), management consultants, and financial advisors. They operate on a fee-for-service basis. For the most part, financial service providers improve informational efficiency for the investor. However, in the case of brokers, they do offer a transactions service by which an investor can liquidate existing assets.

Role in Financial System

NBFIs supplement banks in providing financial services to individuals and firms. They can provide competition for banks in the provision of these services. While banks may offer a set of financial services as a package deal, NBFIs unbundle these services, tailoring their services to particular groups. Additionally, individual NBFIs may specialize in a particular sector, gaining an informational advantage. By this unbundling, targeting, and specializing, NBFIs promote competition within the financial services industry.

Having a multi-faceted financial system, which includes non-bank financial institutions, can protect economies from financial shocks and recover from those shocks. NBFIs provide multiple alternatives to transform an economy's savings into capital investment, which act as backup facilities should the primary form of intermediation fail.

However, in countries that lack effective regulations, non-bank financial institutions can exacerbate the fragility of the financial system. While not all NBFIs are lightly regulated, the NBFIs that comprise the shadow banking system are. In the run-up to the recent global financial crisis, institutions such as hedge funds and structured investment vehicles, were largely overlooked by regulators, who focused NBFI supervision on pension funds and insurance companies. If a large share of the financial system is in NBFIs that operate largely unsupervised by government regulators and anybody else, it can put the stability of the entire system at risk. Weaknesses in NBFI regulation can fuel a credit bubble and asset overpricing, followed by asset price collapse and loan defaults.

Bank/Non-Bank Integration And Supervisory Integration

The banking, securities, and insurance markets have become increasingly integrated, with linkages across the markets rapidly increasing. In response, one of the most notable developments in financial sector regulation in the past 20 years has been a shift from the traditional sector-by-sector approach to supervision (with separate supervisors for banks, securities markets, and insurance companies) toward a greater cross-sector integration of financial supervision (Čihák and Podpiera 2008). This had an important impact on the practice of supervision and regulation around the globe.

Three broad models are being used around the world: a three-pillar or “sectoral” model (banking, insurance, and securities); a two-pillar or “twin peak” model (prudential and business conduct); and an integrated model (all types of supervision under one roof). One of the arguably most remarkable developments of the past 10 years, confirmed by the World Bank’s Bank Regulation and Supervision Survey, has been a trend from the three-pillar model toward either the two-pillar model or the integrated model (with the twin peak model gaining traction in the early 2000s). In a recent study, Melecky and Podpiera (2012) examined the drivers of supervisory structures for prudential and business conduct supervision over the past decade in 98 countries, finding among other things that countries advancing to a higher stage of economic development tend to integrate their supervisory structures, small open economies tend to opt for more integrated supervisory structures, financial deepening makes countries integrate supervision progressively more, and the lobbying power of the concentrated and highly profitable banking sector acts as a negative force against business conduct integration. (The related data on the

structure of supervision are available on this website, http://www.worldbank.org/financial development.)

How do these various institutional structures compare in terms of crisis frequency and the limiting of the crisis impact? Cross-country regressions using data for a wide set of developing and developed economies provide some evidence in favor of the twin peak model and against the sectoral model (ˇCihák and Podpiera 2008). Indeed, during the global financial crisis, some of the twin peak jurisdictions (particularly Australia and Canada) have been relatively unaffected, while the United States, a jurisdiction with a fractionalized sectoral approach to supervision, has been at the crisis epicenter. However, the crisis experience is far from black and white, with the Netherlands, one of the examples of the twin peaks model, being involved in the Fortis failure, one of the major European bank failures. It is still early to make a firm overall conclusion, and isolating the effects of supervisory architecture from other effects is notoriously hard.

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COMPARATIVE STUDY ON HEALTH-CARE SERVICES WITH FINANCING REFORMS IN INDIA AND ETHIOPIA

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ABSTRACT :

As the healthcare financing in Ethiopia comes from a variety of sources that it is directly from out of pocket expenses. Hence it creates financing burden as well as barriers to access healthcare services and puts people at risk of improvement. Therefore, Ethiopia endorsed a health care financing strategy in 1998. By this strategy it is recognised that healthcare should be financed. In Ethiopia health care system is under tremendous reforms and in these days one of the issues highlight on the agenda is health care financing. Even in India healthcare system and financing is also on top issue on the hands of Indian Government these days. To protect citizens from catastrophic effects of the clearly high share of out of pocket expenses, the Government of India and Ethiopia is currently working to introduce and coverup health insurance under all category and class of the citizens of the country. Objective: This research paper aims to highlight the components of healthcare financing reforms and its implications from both the country viewpoint. Methods: A desk review of government policy documents and proclamations was done for comparison. The paper is based on secondary data only. Results: Comparative analysis of revenue retention by health facilities, systematic fee weaver system and standardising services, user fee setting and revision, initiation of compulsory health insurance and social health insurance as well as establishment of Public Private hospitals and issue health autonomy were the main components of the healthcare financing reforms have been critically evaluated. It is evident that there is gradually increased healthcare utilization, access medicines and quality of the services as a result of the reforms. Conclusions: Encouraging progress has been made in the implementation of the healthcare financing reforms in India and Ethiopia. But it is not enough so there is a clear need for well organised research on the issue of access medical services from developed nations. Healthcare financing reforms have positively transformed the health sector in these two countries.

Keywords: *Health, finance governance, reforms, pharma economies, Hospitals, Medicines, Public Private Partnership in health sector.*

1: Introduction:

Internationally it is clear that the right to the enjoyment of the highest standard of physical and mental health is a fundamental human right. Even the right to health was first articulated in the constitution of the World Health Organisation in 1946. The most authentic interpretation of the right to health is outlines in Article 12 of the International Covenant on Economics, Social and Cultural Rights which has been ratified by nearly 150 countries including India and Ethiopia. Moreover, to realize this right to health countries are required to ensure availability, non-discriminating physical, economics and informational accessibility and ethical acceptability as well as quality of healthcare. Fundamentally health services, goods and some facilities must be provided to all citizens without any discrimination to guarantee that everyone's right to health is observed.

Looking at the situation in India and Ethiopia the government of both the countries are in the last phase of improving the country's health status. So far remarkable progress had been made, especially in the area of increasing the number of healthcare facilities and decentralization of the health system. However, the progress made in the health care financing system is a little slow in India. The healthcare system in Ethiopia still suffers from limited availability of health resources, overreliance on out of pocket payments and inefficient use of resources which limit universal coverage of health care. In global context health sector is generally under financed in global and regional standards. The are more dependent on donors and direct payment by households, contributing about 40%, 30% and 47% of the national health expenditure and drug financing is no exception with households out of pocket expenditure of the total drug expenditure.

2: Significance of healthcare services and Financing Reforms:

This paper was commissioned to provide a conceptual underpinning for the WHO Global Strategy on Health Systems Research that is currently under development.

3: Literature Review:

"Something is wrong. For the first time, public health has commitment, resources, and powerful interventions. What is missing is this: the power of these interventions is not matched by the power of health systems to deliver them to those in greatest need, on an adequate scale, in time. In part, this lack of capacity arises from the failure of governments all around the world to invest adequately in basic health systems. It also arises, in part, from the fact that research on health systems has been so badly neglected and underfunded. The two go together. So long as investments in health systems are given low priority, research in this area will also be neglected. In the absence of sound evidence, we will have no good way to compel efficient

investments in health systems." Dr. Margaret Chan, Director-General of the World Health Organization Beijing, China, October 29, 2007

Eskinder Eshetu Ali (2014), in his paper mentions about the existing reforms in Euthopian health care system with special reference to health care financing. The author also discusses about general people access to essential medicines. He also mentions about the initiation of compulsary health insurance which included community based health insurance and social health insurance, revenue retention by heath facilities, non clinical activities outsourcing etc.A well organized research need is shown through this paper.

World Economic Forum report of 2019 mentions in article"What India's route to universal health coverage can teach the world" about when in 2018 the country launched a national health protection scheme, Ayushman Bharat, to achieve UHC. The mission, through its Pradhan Mantri Jan Arogya Yojana (PMJAY) initiative, established 150,000 health and wellness centres (HWCs) and provides health insurance coverage to 40% of the country's population - nearly 500 million people, or roughly the equivalent of the entire population of the European Union. In its first year of implementation, Ayushman Bharat has reached close to 3.9 million Indians who have taken advantage of cashless treatment, resulting in a savings of $1.6 billion for the benefitting families. As such, progress towards the SDG is steady for a nation with 1.3 billion people. A crucial component of Ayushman Bharat is the strategic purchasing of secondary and tertiary healthcare services from the private sector. While private healthcare caters to around 70% of India's population, there is an estimated shortage of 160,000 additional hospital beds under the scheme. There are only 0.65 doctors, 1.3 nurses and 1.3 hospital beds per 1,000 people in the country. The desired requirement by 2034 for every 1,000 people is 2.5 doctors, 5 nurses and 3.5 beds - and to achieve this standard, an investment of around $245 billion would be required.

Niti Ayog Report of 2019 depicts that financing of health in India is fragmented at all three levels ---revenue sources, health insurance (financial risk pooling), and strategic purchasing (how funds are used to set incentives for service providers to maximize efficiency, responsiveness, and quality in the health service provider market). There are high levels of fragmentation in the sources of revenues, with most health expenditure (about 62 per cent) coming directly from households, out-of-pocket. Government spending on healthcare, roughly 1.1 per cent of GDP (among the lowest in the world for low-middle-income countries), is also fragmented among union and state levels.

USAID in its report titled "Health Care Financing Reform in Ethiopia: Improving Quality and Equity" showers light on the support of a health care financing strategy in 1998 that envisioned a wide range of reform initiatives. The financial reforms

spread to overall regions like Amhara, Oromia, and Southern Nations, Nationalities, and People (SNNP) Regional States. The strategy recognized that health care should be financed through multiple financing mechanisms to ensure long-range sustainability. The reforms introduced include implementing revenue retention and use at health facility level, systematizing a fee-waiver system for the poor, standardizing exemption services, setting and revising user fees, introducing a private wing in public hospitals, outsourcing nonclinical services, and promoting health facility autonomy through the introduction of a governance system.

Current scenario:

	Ethiopia	India
	Ethiopia population is equivalent to 1.45% of the total world population. Ethiopia ranks number 12 in the list of countries (and dependencies) by population. The population density in Ethiopia is 112 per Km^2 (290 people per mi^2). The total land area is 1,000,000 Km2 (386,102 sq. miles) 20.9 % of the population is urban (23,376,340 people in 2019) The median age in Ethiopia is 18.6 years.	India population is equivalent to 17.71% of the total world population. India ranks number 2 in the list of countries (and dependencies) by population. The population density in India is 460 per Km^2 (1,190 people per mi^2). The total land area is 2,973,190 Km2 (1,147,955 sq. miles) 34.5 % of the population is urban (471,828,295 people in 2019) The median age in India is 27.1 years.

Source: https://www.worldometers.info/world-population/india-population

Ethiopia	
Statistics	
Total population (2016)	**102,403,000**
Gross national income per capita (PPP international $, 2013)	**1,350**
Life expectancy at birth m/f (years, 2016)	**64/67**
Probability of dying under five (per 1 000 live births, 2018)	**55**
Probability of dying between 15 and 60 years m/f (per 1 000 population, 2016)	**246/194**
Total expenditure on health per capita (Intl $, 2014)	**73**
Total expenditure on health as % of GDP (2014)	**4.9**

Ethiopia	
Statistics	
Total population (2016)	**102,403,000**
Gross national income per capita (PPP international $, 2013)	**1,350**

Life expectancy at birth m/f (years, 2016)	**64/67**
Probability of dying under five (per 1 000 live births, 2018)	**55**
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Source: https://www.who.int/countries

4: Facts and Discussion:

India has the most private healthcare in the world. Out-of-pocket private payments make up 75% of the total expenditure on healthcare. Only one fifth of healthcare is financed publicly. According to the World Health Organization in 2007, India ranked 184 out of 191 countries in the amount of public expenditure spent on healthcare out of total GDP. In fact, public spending stagnated from 0.9% to 1.2% of total GDP in 1990 to 2010. In terms of medical costs, out-of-pocket hospitalization fees prevent access to healthcare. 40% of people that are hospitalized are pushed either into lifelong debt or below the poverty line. Furthermore, over 23% of patients do not have enough money to afford treatment and 63% lack regular access to necessary medications. Healthcare and treatment costs have inflated 10–12% a year and with more advancements in medicine, costs of treatment will continue to rise. Initiatives to improve access: The government of India has a Twelfth Plan to expand the National Rural Health Mission to the entire country, known as the National Health Mission. Community based health insurance can assist in providing services to areas with disadvantaged populations.

Public-private partnership: One initiative adapted by governments of many states in India to improve access to healthcare entails a combination of public and private sectors. The Public-Private Partnership Initiative (PPP) was created in the hopes of reaching the health-related Millennium Development Goals. It consists of three separate projects with different focuses: Fair Price shops which aim to reduce the costs of medications and treatment options; Rashtriya Swasthya Bima Yojana which reimburses those under the poverty line; and National Rural Telemedicine Network which assists with non-medical costs. This initiative was analyzed in the states of Maharashtra and West Bengal. The largest segment of the PPP initiative is the tax-financed program, Rashtriya Swasthya Bima Yojana (RSBY). The scheme is financed 75% by the central government and 25% by the state government. This program aims to reduce medical out-of-pocket costs for hospital treatment and visits by reimbursing those that live below the poverty line. RSBY covers maximum 30,000 rupees in hospital expenses, including pre-existing conditions for up to five members in a family. In 2015, it reached 37 million households consisting of 129 million people below the poverty line. However, a family must pay 30 rupees to

register in the program. Once deemed eligible, family members receive a yellow card. However, studies show that in Maharashtra, those with a lower socioeconomic status tend to not use the service, even if they are eligible. In the state of Uttar Pradesh, geography and council affect participation in the program. Those in the outskirts of villages tend to use the service less than those who live in the center of villages. Additionally, studies show household non-medical expenses as increasing due to this program; the probability of incurring out-of-pocket expenses has increased by 23%. However, RSBY has stopped many from falling into poverty as a result of healthcare.[Furthermore, it has improved opportunities for family members to enter the workforce as they can utilize their income for other needs besides healthcare. RSBY has been applied in 25 states of India.

National Rural Health Mission: The National Rural Health Mission (NRHM) was launched in April 2005 by the Government of India. The NRHM has outreach strategies for disadvantaged societies in isolated areas. The National Urban Health Mission as a sub-mission of National Health Mission was approved by the cabinet on 1 May 2013. The National Urban Health Mission (NUHM) works in 779 cities and towns with populations of 50,000 each. As urban health professionals are often specialized, current urban healthcare consists of secondary and tertiary, but not primary care. Thus, the mission focusses on expanding primary health services to the urban poor. The initiative recognizes that urban healthcare is lacking due to overpopulation, exclusion of populations, lack of information on health and economic ability, and unorganized health services.

Pradhan Mantri Jan Arogya Yojana: Pradhan Mantri Jan Arogya Yojana (PM-JE) is a leading initiative of Prime Minister Modi to ensure health coverage for the poor and weaker population in India. This initiative is part of the government's view to ensure that its citizens – particularly poor and weaker groups, have access to healthcare and good quality hospital services without facing financial difficulty.PM-JAY Provides insurance cover up to Rs 5 lakh per annum to the 100 million families in India for secondary and tertiary hospitalization. For transparency, the government made an online portal (Mera PmJay) to check eligibility for PMJAY. Health care service includes follow-up care, daycare surgeries, pre and post hospitalization, hospitalization expenses, expense benefits and newborn child/children services. The comprehensive list of services is available on the website.

Ethiopia: Health care financing: Ethiopian health care financing strategy focus on financing of primary health care services in a sustainable manner. It envisions reaching universal health coverage by 2035. To operationalize the strategy, various reform measures were implemented. These reforms include: revenue retention and use at the health facility level; systematizing fee waiver system; standardization of exempted services; setting and revision of user fees; allowing establishment of

private wing in public hospitals; outsourcing of non-clinical services ; and, promotion of health facility autonomy through establishment of a governance body; and establishment of health insurance system.

Purchasing of services: While mobilizing sufficient public resources and organizing pooling to maximize re-distributive capacity are essential for achieving equitable and affordable health care access for all, it is of equal importance that collected resources be efficiently used in order to maximize and sustain the provision of benefits for the population. Strategic use of the purchasing function is the key health financing instrument for this purpose. The main purchasers of health service in Ethiopia are: the Ministry of Health; Regional Health Bureaus; District/Woreda Health Offices in the form of line-item budgets; Ethiopia Health Insurance Agency; and, other government entities that transfer budget to service providers to reimburse service delivery cost; and households in the form of user fee. There is fee waiver system to covers Indigents but with various challenges in implementation. Two million people are presently are covered by this. In 1993 the government published the country's first health policy in 50 years, articulating a vision for the health care sector development. The policy fully reorganized the health services delivery system as contributing positively to the country's overall socioeconomic development efforts. Its major themes focussed on:

- Democratization and decentralization of health system.
- Expanding the primary health care system and emphasizing preventive, promotional, and basic curative health services; and
- Encouraging partnerships and the participation of the community and nongovernmental actors.

A Health Sector Growth Program was developed every five years beginning in 1997/98. In 2002 the government embarked on a poverty reduction program that called for outlays in education, health, sanitation, and water. This included placing two government-salaried female Health Extension Workers in every kebele, with the aim of shifting the emphasis of health care to prevention. About 2,700 completed their training by the end of 2004 at 11 technical and vocational education centers, while 7,000 were still in training in 2005, and over 30,000 were expected to complete their training by 2009. However, these trainees encountered a lack of adequate facilities, including classrooms, libraries, water, and latrines. The selection of trainees was flawed, with most being urban inhabitants and not from the rural villages they would be working in. Reimbursement was haphazard as trainees in some regions did not receive stipends while those in other regions did.

Health Extension program: The Health Extension program was introduced in 2002/03 with a fundamental philosophy that if the right health knowledge and skill is

transferred, households can take responsibility for producing and maintaining their own health. It is a community-based intervention designed to make basic health services accessible to the rural and underserved segments of the population. The HEP was launched in the four big agrarian regions, expanded to the remaining regions in subsequent years. It was planned to cover all rural kebeles with the aim of achieving universal primary health care coverage by 2008. Services are organized along geographic lines with construction of a comprehensive network of primary health care units throughout the country with one health post in every rural kebele of 5000 people linked to a referral health center. A health post is a two-room structure of most peripheral health care unit and the first level for the provision of healthcare for the community, emphasizing preventive and promotive care. 33,819 health extension workers were trained and deployed surpassing the target of 33,033. Model households who have been trained and graduated have reached a cumulative total of 4,061,532 from an eligible total of 15,850,457 households. This only represented a coverage of 26% leaving a huge gap of more than 11 million households to be trained. The total number of health professionals increased from the baseline of 6,191 in 2004/05 to 14,416 in 2009/10 but this was only 89% of the target. Equipping Health posts with medical kits remained a major challenge. Only 83.1% or 13,510 HPs out the planned target of 16,253 were fully equipped. Supportive supervision technical, reference books for rural HEP and manuals for school health program were prepared. An implementation Manual for Pastoralist and semi-pastoralist areas was finalized and distributed to respective regions. In order to expand the Urban Health Extension program in seven regions of the country, 15 packages along with implementation manual were developed and distributed for implementation. Improving the competence of health extension workers and the Women's Development Army is crucial. The second generation rural plan will include: upgrading health extension workers to level four Community Health Nurses, renovation and expansion of health posts, equipping and supplying health posts with the necessary equipment and supplies, shifting basic services to the community level and institutionalizing the WDA platform. In cities and urban areas, the Family Health Team approach will be introduced. The team will be composed of clinicians, public health professionals, environmental technicians, other health professional, social workers and health extension professionals to provide services for urban dwellers. Considering the varied nature of the community residing in the pastoralist and developing regions, the Ministry of Health, along with the Regional Health Bureaus is committed to developing a unique strategy to address pastoralist communities' health issues.

Health facility construction and expansion: Major activities under the health facility construction, expansion, rehabilitation, furnishing and equipping focused mainly on the Primary Healthcare facilities: the number of public Health Centres

increased from 412 in 1996/97 to 519 in 2003/04. For the same periods, the number of HPs increased from 76 in 1996/97 to 2,899. The number of hospitals (both public and private) increased from 87 in 1996/97 to 126 in 2003/04. There has been also considerable health facility rehabilitation program and furnishing. As a result, the potential health service coverage increased from 45% in 1996/97 to 64.02% by 2003/04. The plan was to attain a 100% general potential health service coverage by availing 3200 centres through construction, equipping and furnishing of 253 new ones and upgrading 1,457 HSs to HC level and also upgrading of 30% of HC to enable them perform Emergency Obstetric and Neonatal Care services. In addition, 12,292 health posts have been equipped which represents 75.6% of the target of equipping 16,253 health posts. 511 new ones will be equipped following their completion. The construction of 21 blood banks in six regions was 95% completed in 2009 and the preparation of a National Laboratory Master Plan has also been already completed.

Health human resource development: There has been a focus on scaling up the training of community and Mid-Level Health Professionals. Accelerated Health Officer Training Program was launched in 2005, in five universities and 20 hospitals to address the clinical service and public health sector management need at district level. So far more than 5,000 health officer trainees (generic and upgrade) have been enrolled and 3,573 Health officers were graduated and deployed. In addition to address the need for Comprehensive Emergency Obstetric Care and other emergency surgery services on Emergency Surgery has been developed and training has been started in five universities. To address the critical shortage and maldistribution of doctors, in addition to the existing medical schools a new medical school that uses innovative approach has been opened in St. Paul's Hospital Millennium Medical College. A human resources for health situation analysis conducted in 2015/2016 showed that between 2009 and 2014/15:

- The number of medical schools increased from 7 to 35 (28 Public and 7 Private)
- Annual enrolment of medical students increased from 200 to 4,000.
- The number of physicians in the country increased from 1,540 to 5,372.
- Midwifery teaching institutions increased from 23 to 49.
- The number of midwives increased from 1,270 to 11,349

It is noted that overall health professionals to population ratio increased from 0.84 per 1000 in 2010 to 1.5 per 1000 in 2016. This is remarkable progress for a 5-year period. If the current pace is sustained, Ethiopia will be able to meet the minimum threshold of health professionals to population ratio of 2.3 per 1000 population, the

2025 benchmark set by the World Health Organization (WHO), for Sub-Saharan Africa.

Community-based Health Insurance Development

Pilot implementation initiated since 2011 in 13 districts in four big regions (Oromia, Amhara, Tigray and South nation and nationality). The aim is to reach and cover the very large rural an agricultural sector and smalls informal sectors in an urban setting. The main objective of CBHI in Ethiopia

- Remove financial barriers
- Reduce catastrophic out of pocket expenditure (OOP)
- Increase health service utilization
- Improve quality of care, by increasing resources for health facilities through strong community involvement and ownership and strategic purchasing
- Enhance equity in health
- Mobilize domestic resource

Healthcare service delivery system

	Ethiopia	
1	Specialized Hospitals	5 Million
2	Zonal Hospital Services	500000
3	District Hospitals	250000
4	Health centres	25000
5.	Health post	5000

In Ethiopia number of specialized hospitals are 5 Million, zonal hospital services are 500000, district hospitals 250000, health centres 25000 and health post 5000 located in 9 regions.

5: Conclusions:

Both India and Ethiopia have taken initiative in the implementation of healthcare services and financing reforms in current periods. But it is quite slow as compare to the developed nations. It is concluded that the efforts taken by both the country's, are encouraging but not satisfactorily looking to the participation of all income groups of people. Majority of the groups are still inaccessible especially health insurance. Therefore, there is a clear need for well organised research on the issue. As regarding sources of financial support financial integration is required to create relationship between government and private donors.

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