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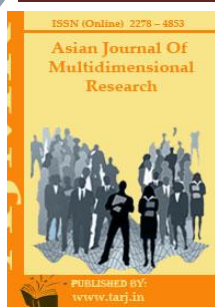
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FINANCE



ANGEL TAXATION AND RELIEF

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ABSTRACT

Closely held companies which have raised equity from angel investors are being questioned by authorities to justify the premiums, failing which the premiums are being taxed under section 56(2)(vii) of the Income-tax Act, 1961. While this provision was brought to curb unaccounted money, it is being blindly used to tax an otherwise capital account transaction, even in the absence of the existence of unaccounted money. This myopic approach, no doubt might garner revenue in the short term, but, in the long run, will definitely hurt the investor-friendly image of India. Taxation should be on the fruits of capital and not on the capital itself. If this continues, we might end up killing the hen laying golden eggs. A doctor administers medicine only when there exists evidence of an ailment. Taxing a PLC which is unable to justify the share premiums in genuine investment cases would be akin to a doctor administering medicine because the otherwise healthy person is not able to prove that he does not have any ailment. Such angel investments are effected through allotment of shares at a premium. The premiums are normally back-of-the-envelope and vary sporadically from time to time. Further, only in such cases of share allotments where Section 68 is attracted, if the PLC is also not able to justify the FMV, let there be an additional tax under section 56(2)(vii). However, if there does not exist any evidence of unaccounted money, then let Section 56(2)(vii) be left to rest in peace.

KEYWORDS: *Angel Taxation, Private Limited Companies, Amendments in Angel Taxation, Exemptions to Angel Taxation, Limitations*

INTRODUCTION

One of the major challenges for entrepreneurs raising capital. While banks and financial institutions have, to a certain extent, quenched the entrepreneurs' thirst for capital, the real savior has been the entrepreneurs' private network. Entrepreneurs operating as Private limited companies ("PLC") continue to bank on their private network to raise capital. In such cases, the most preferred route for PLCs to raise capital from the private network is Equity.

Normally, when a young PC raises equity, both the PLC and the investors are agreeable that management rights should continue with the promoter. For this in-Shylock attitude, the investors are graciously termed as “angel investors”. Such angel investments are effected through allotment of shares at a premium. The premiums are normally back-of-the-envelope vary sporadically from time to time.

MEANING OF ANGEL TAX

In what has again triggered tax issues, several startups are receiving income tax notices on angel funding they received a few years ago. The government has said no coercive action will be taken to recover the demand and has set up a committee to review the entire issue.

Angel tax is a term used to refer to the income tax payable on capital raised by unlisted companies via the issue of shares where the share price is seen in excess of the fair market value of the shares sold. The excess realization is treated as income and taxed accordingly. This tax was introduced in the 2012 Union Budget by then finance minister Pranab Mukherjee to arrest laundering of funds. It has come to be called angel tax since it largely impacts angel investments in startups.

Exemption from Angel Tax

The government issued a notification in April this year to give exemption to startups under Section 56 of the Income Tax Act in cases where the total investment including funding from angel investors did not exceed Rs 10 crore. For the exemption, startups were also required to get approval from an inter-ministerial board and a certificate of valuation by a merchant banker. According to the notification, the exemption would apply only when the angel investor had a minimum net worth of Rs 2 crore or an average returned the income of over Rs.25 lakh in the preceding three financial years.

Background of Angel Tax

While raising capital without proportionate management dilution is the genuine reason for PLCs to issue shares at a premium, the darker sides that share premium route has been misused by some to wash their ill-gotten and unaccounted money. To curb this misuse, two important amendments were made to the Income-tax Act, 1961 in the year 2012:

1. Amendment to Section 68, if the PLC is unable to explain the source of investment of the investor, the PLC is taxed on the amount raised through allotment of such shares and
2. Section 56(2)(vii), if PLC allots shares at a price higher than its Fair Market Value (“FMV”), the difference between the issue price and the FMV would be taxed in the hands of such PLC.

Problem with Section 56(2)(vii)

It is interesting to note that the memorandum to the Finance Bill 2012, lists both these amendments under “*Measures to prevent generation and circulation of unaccounted money*”—the mischief which the two amendments set out to cure. While the means and end of the first amendment are genuine to prevent generation and circulation of unaccounted money, the same cannot be said about Section 56(2)(vii).

The problem with section 56(2) (vii) is two-fold:

1. PLCs have to justify the share premium even in the absence of indications of unaccounted money
2. The means provided to justify the issue price is too limited - either the Book Value method (“BV”) or the Discounted Free Cash Flow method (“DFCF”).

Fundamentally, the issue of shares is a capital account transaction which should not be taxed in the first place. Useful reference can be made to the recent Vodafone and Shell rulings rendered by the Bombay High Court, which Central Board of Direct Taxes (CBDT) has ultimately accepted.

However, CBDT, in order to curb generation and circulation of unaccounted money, has introduced angel taxation. In genuine investment cases where, both the investor as well as the source of investment is sacrosanct. A doctor administers medicine only when there exists evidence of ailment. Taxing a PLC which is unable to justify the share premiums in genuine investment case would be akin to a doctor administering medicine because the otherwise healthy person is not able to prove that he does not have any ailment. There should be applied when there exists evidence of mischief. The cure should not be applied when there does not exist any signs of the non-existence of mischief.

OTHER LIMITATIONS

The other problem with angel taxation procedures with the limitations of the means provided by CBDT to justify the share premium. While the videos do not take into consideration the future earning potential, the DFCF is dependent on many variables. As beauty lies in the eyes of the beholder, so values the acumen of the valuer. Having said that, valuation methods are not completely theoretical and subjective. The real world definitely uses the valuation methods to get a fair idea of the transaction price. The values churned by various valuation methods are only indicative. These indicative values are further negotiated upon and finally the transaction price is agreed. This negotiated transaction price might not be the same as the value arrived at by using BV or DFCF. Consequently, if an aggressive entrepreneur has been able to convince the investor for a price higher than the value arrived at by using the BV or DFCF, the PLC might end up paying angel tax.

Is this transaction worthy of tax? The point is, valuation methods are at best of academic significance. Nassim Nicholas quips, *"In academia, there is no difference between academia and the real world, in real world there is."* Recently concluded assessments have shown the ill effects of equipping Assessing Officers (AO) with such subjective rules. The AOs have gone one step ahead by disputing the assumptions of the independent valuations reports provided by the PLCs and have raised demands for angel tax on the basis of their own assumptions. This approach has found the sanction of Delhi ITAT in the case of Agro Portfolio Private Limited.

The ITAT has however not considered the Honorable Supreme Court's decision in the case of **Miheer H. Mafatlal V. Mafatlal Industries Limited** case where it was held the Court has neither the expertise nor the jurisdiction to delve deep into the commercial wisdom exercised by parties. In all this zeal the very purpose of section 56(2) (vii) of preventing generation and circulation of unaccounted money has been forgotten. Or has it been conveniently ignored? It is not that CBDT is unaware of the issue. However, in the garb of providing relief, CBDT, seemingly has sort of complicated the matter. CBDT has notified that allotment of shares "Start-Ups" shall be immune from angel taxation. Department of Industrial Policy and Promotion (DIPP) in turn has put in place an approval process whereby recognized start-ups, on the application, will be granted amnesty from angel taxation.

This brings us too few important questions...

- What about angel investments in topics which are not DIPP recognized start-ups?
- What about angel investments into DIPP recognized start-ups which have either not applied or an application have not been granted the angel-tax protection?

– Do such PLCs still have to justify the share premiums using the limited means notified?

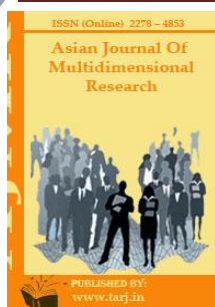
The so-called relief would lead to a situation wherein a PLC which is not a DIPP recognized start-up or a DIPP recognized start-up which has not applied for approval will blindly be assessed for angel tax even in the presence of independent valuation reports despite there being no evidence of unaccounted money. This will further burden already over-worked dispute resolution machinery.

CONCLUSION

Would it not be wiser if one invokes the provisions of Section 56(2)(vii) if and only if there exists evidence of the mischief – the existence of evidence of generation and circulation of unaccounted money. If the investor or the investor's source is not identifiable, then Section 68 would tax the PLC and Section 69, the investor. Further, only in such cases of share allotments where Section 68 is attracted, if the PLC is also not able to justify the FMV, let there be an additional tax under section 56(2)(vii). However, if there does not exist any evidence of unaccounted money, then let Section 56(2)(vii) be left to rest in peace. In other words, evidence of unaccounted money should be quintessential for invoking Section 56(2) (vii). Anti-abuse provisions are essential, but not an abuse of the anti-abuse provisions. Anti-abuse provisions are not norms, but exceptions which should be invoked only in exceptional circumstances.

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INDIA'S DEMONETIZATION TRIAL – THE TAKE AWAYS

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ABSTRACT

Demonetization exercise strips a currency unit of its legal status and the currency unit is no longer recognized or accepted. Demonetization caused chaos all over India. Apart from the extreme difficulty the low income, rural people and women faced, the rest of the country was busy queuing outside ATMs and banks. On the same day when Donald Trump was chosen the president of the United States, India also received an unanticipated, momentous announcement. However, it was not about an unconventional presidential candidate but a new policy that would straight away tremble the lives of 1.25 billion people in the country. In addition, the role of the informal sector in the country's economy is significant. By an estimate, it approximately produces not less than 45 % of the total output and employs almost 94 % of the total labor force. It is difficult to obtain reliable and direct data on this very significant informal sector. Modi's demonetization plan was aimed at dismantling the huge black market, to wash out the country of fake notes, to digitize the economy, and to get more population onto the formal, taxable grid. India is said to have high levels of black money but according to a recent analysis, the cash component amounted to merely 6%. The remaining being invested in jewelry, business, real estate and, "benami" assets, generally bought in someone else's name. Thus it was a complete solution. In addition, plans were made to make digital payments mandatory at gas stations, universities, and hospitals. Cash transactions in excess of \$4,500 were banned altogether. No service charges will be levied by on online booking.

KEYWORDS: *Demonetization, Announcement, Unconventional, Dismantling, Approximately*

INTRODUCTION

Demonetization exercise strips a currency unit of its legal status and the currency unit is no longer recognized or accepted. The current forms of money are withdrawn or pulled from circulation to be replaced with new notes. Seldom, a country may entirely replace its old currency with new. There are loads of reasons why countries go for demonetization. To fight inflation, corruption and tax

evasion are the major motives. Other motives may include discouraging a cash-dependent economy and finally boosting trade.

History of demonetization in India

The term demonetization is not novel in India. The first demonetization exercise was in January 1946 when 10,000 Rs5, 000, and 1, 000, notes withdrawn. The Rs10, 000 notes was the largest value note ever printed by the Reserve Bank of India. All three categories of notes were reintroduced in 1954.

Again in 1977, when the Janata Party coalition government came into power, party leader Morarji Desai exercised demonetization for the second time with an aim to fight corruption and bring down the black money market. The High Denomination Bank Notes of Rs1, 000, Rs5, 000 and Rs10, 000 notes were declared illegal for the second time.

Demonetization in 2016

On the same day when Donald Trump was chosen the president of the United States, India also received an unanticipated, momentous announcement. However, it was not about an unconventional presidential candidate but a new policy that would straight away tremble the lives of 1.25 billion people in the country. At 10 p.m. on November 8th, Prime Minister Mr. Narendra Modi announced that from midnight all notes of 500 and 1,000, nearly 86% of the currency in circulation — would stop to be a legal tender for any purpose.

Modi's demonetization plan was aimed at dismantling the huge black market, to wash out the country of fake notes, to digitize the economy, and to get more population onto the formal, taxable grid. The canceled notes to were be replaced by new 500 and 2,000 denomination notes in a limited time period, and India — probably the most cash-dependent country of the world — abruptly found itself short of cash to run its economy.

Objectives

- To understand the meaning and the need for demonetization
- To understand the outcome and impact of the demonetization exercise
- To understand why demonetization is a difficult exercise for India

Impact Analysis of Demonetization exercise

Chaos and Cash crunch

At midnight on November 8th, a huge segment of Indian population instantly found themselves unable to interact economically. The country is cash driven and almost 95% of transactions in India were in cash .90% of vendors accepted nothing but cash .85% of workers were paid wholly in cash and nearly half of the population didn't have bank accounts. There was a severe cash crunch

Immediate impact

farmers couldn't buy seeds,	Businesses had to shut down,	taxi and auto drivers didn't have any means to receive payments,	employers did not know how to pay their workers,
hospitals were turning down patients with old banknotes,	fishermen gazed at their catch getting spoilt ,	several families had difficulty in buying food items ,	weddings all over the country were canceled.

The huge Indian population was given 50 days to exchange their banknotes, after which they would become worthless. This caused millions of people to rush to banks and ATMs besides jewelry shops and foreign-exchange counters. Long lines stretched outside these enterprises and people stood for hours to re-validate their wealth.

Why demonetization was difficult for India?

The Jan Dhan Yojana for financial inclusion had definitely increased the number of a bank account. Few more Indians had become account holders but the majority of these bank accounts were empty and only 15% were reported of using their account actively. Moreover, only 39% of account holders in India had a debit or credit card. This meant the rest would need a bank counter to carry out every single transaction. Even the online shopping in the country is done majorly with cash and 70% of consumers opt for cash on delivery.

Although the Prime Minister was mainly targeting at tax evaders and black marketers the poor, mainly rural and in particular women suffered the most. Lower income rural Indians are not likely to have bank accounts, and even with the given 50 days to do so, would actually struggle with limited knowledge to open one. They might not even reach a bank in the first place. Merely 27% of villages in India have a bank account within 5km. Women suffered particularly, as the majority do not have a bank account – according to the UN report, 80% of the Indian women did not have one as of 2014.

Demonetization caused chaos all over India. Apart from the extreme difficulty the low income, rural people and women faced, the rest of the country was busy queuing outside ATMs and banks.

No major impact on Corruption

The reason given for the sudden demonetization exercise was to expose the “black” market or money that is undeclared for tax purpose. Only 1% of the people in India paid taxes in 2013, according to recently published data. Widespread tax evasion has, over the years, has given rise to a parallel economy estimated to range from 20–23% of GDP. This parallel economy existing in India is a significant drag on the economy. After demonetization people were given time till December 30, 2016, to exchange 500- and 1,000-rupee notes, or risk losing them.

According to a report by Bloomberg estimated amounts received by the banks were 14.97 trillion rupees by the December 30 deadline. This was nearly 97% of the total currency demonetized (15.4 trillion rupees). The definite amount of the currency deposited and its total value is yet to be formally announced, but there isn't any doubt that the majority of the invalidated currency found its way into the banks. People may have used multiple bank accounts in other names. They could have

probably redistributed their money in small parts, bought gold or converted local currency into foreign. All this and much more is happening now.

Sorting out the total money deposited and finding out its legitimacy is a difficult task on hand and may take time. But these huge deposits in the bank crashed the expectations that undeclared wealth will not reach the banks and black marketers would lose their money. This didn't actually happen, and nearly all the money found its way into the banks. This might have been possible because of people's creativity: They found countless methods to get their illegitimate money deposited into banks. This demonetization is not likely to impact the structure and level of corruption in India. Often the proceeds of corrupt people never arrive in India; they are handled off shores.

Besides, with black marketers cash is normally is not on the top of their list. If you had to keep a large amount of money saved and hidden, you would normally not want inflation to eat it away one would buy gold, US dollars, Swiss francs, real estate, bit coin...anything. Experts estimate that only a small amount of undeclared wealth is actually kept in cash. India is said to have high levels of black money but according to a recent analysis, the cash component amounted to merely 6%. The remaining being invested in jewelry, business, real estate and, "benami" assets, generally bought in someone else's name. Even with strict regulations, auditing of large deposits and limiting the number of notes that could be exchanged at one time, India's shadow economy was able to unburden their black money, converting it sparkling white in the process.

Eradicating corruption and black money calls for a continuous approach, to motivate institutional and behavioral change in the long term., one shot drastic step like demonetization, may not be the right approach. Legal experts argued that demonetization is a violation of the law. They say the sudden exercises like results in the government taking away an individual's "movable property" without access to easy replacement or compensation.

Creative Digital Payments

As the demonetization movement progressed, its story slowly transitioned from fighting corruption to modernizing India's economy. Prior to this operation, the country was firmly fixed in the cash economy and there was absolutely no incentive to break these generations-old habits, open bank accounts, and become financially digital. But removing the society's access to cash through demonetization pushed the people onto India's formal economic grid. The winners of the demonetization were definitely the mobile wallet players, with pay to as the market leader. There was a traffic increase of nearly 435% and an overall increase of 250% in transaction value. The rush in mobile wallets business was substantial. The government also took some innovative steps. The payment app, BHIM was introduced and it made possible easy electronic transfers between bank accounts. The users just had to enter their unique, 12-digit Aadhar number to make payments. Moreover, this system worked on an ordinary flip phone — no Smartphone was required. Thus It was a complete solution. In addition, plans were made to make digital payments mandatory at gas stations, universities, and hospitals. Cash transactions in excess of \$4,500 were banned altogether. No service charges will be levied by on online booking. The government also had plans to remove duties on point-of-sale devices.

These moves are definitely a shot to boost technology and digital payments and probably all these steps should have preceded the demonetization exercise.

Slow down and destabilization

India's Central Statistics Office (CSO) had shown that the Indian economy grew at around 7 % in the quarter ending in December 2016. In fact, this was also predicted by CSO's before demonetization. Does this mean demonetization had no absolutely no impact on the Indian economy? With reports of several small businesses and factories closing down, workers losing their wages and many projects being deferred the fact that GDP was untouched and remained the same as advance estimates were surprising.

According to analysts, there were several problems with the CSO's GDP figures. There is always a lag amid the time when estimates are made and the time when actual data is received. The estimates basically rely on past data, which is not really dependable especially in the wake of events like demonetization. In addition, the role of the informal sector in the country's economy is significant. By an estimate, it approximately produces not less than 45 % of the total output and employs almost 94 % of the total labor force. It is difficult to obtain reliable and direct data on this very significant informal sector. Further, this informal sector is also chiefly cash-reliant and bore the major brunt of demonetization. Probably CSO's GDP figures failed to reflect this.

Finally, our country does not really have reliable countrywide retail sales data, and statisticians use production figures to make an estimate of consumer spending. To make it more complex these production figures consist of data for listed companies only, thereby ignoring the unregistered companies—the ones that are affected majorly by the demonetization exercise.

Some more data for the quarter ending December 2016.

- Commercial vehicle output, service tax receipts, rail freight, and home appliance sales indicated a slowdown, resulting in some economists to set the GDP growth forecast at 6.4% instead.
- The dynamic consumer goods industry also reported a 1%–2% reduction in volumes. Also evident was the fact that two of the biggest names in the industry, Hindustan Unilever Ltd (HUL) and Nestlé, reported a decline in their profits. According to BW Disrupt HUL showed a 4% reduction in sales volumes.
- Tractor sales were weaker even after a healthy rainy season. According to Nikkei Asian Review volumes went up only by 18% in October–December quarter, down from 28% the preceding quarter. Passenger car sales saw a similar trend. It grew at only 1% in the October–December, quarter down from 18% growth in the previous quarter. India's largest car manufacturer, Maruti, had a meek increase of 3.5% in the car sales volume much less than 18.4% in the previous quarter, according to Scroll. in.
- As reported by Business standard Sales declined by the 22% in case of-of two-wheelers when compared to the prior December quarter in.

The officially Published economy-wide data struggled to reveal the actual picture on the ground

Negative Impact on agriculture

Reports of strain in fields have begun to show as cash is the principal method of transacting in the agricultural sector. This sector contributes nearly 15% to India's output and demonetization left this sector cash deprived. Formal financing, especially in many states, is only from cooperative banks, which were excluded from the exchange or deposit of demonetized money. Particularly, this was the time of Kharif harvest and rabi sowing, popularly dubbed the 'busy season'. There is a heavy credit demand, besides a cluster of festivals and weddings.

Sale, transport, marketing and distribution of ready produce to mandis, is cash-dependent. Disruptions in the supply chains increased wastage of perishables, trade dues were common in spite of sufficient cash in hand. Currently, many of these informal networks are operating ineffectively or are at a standstill. The input side is similarly affected as purchases, such as seeds, fertilizers, and tools, are in cash. Borrowing or financing function of bigger farmers and organized producers are also affected by the sudden demonetization exercise.

CONCLUSION

Demonetization characterizes not the only destabilization, but critics argue that it is a vast blow to the economic activity in India. While the benefits and shortcomings of the measure continue to be debated, the majority seem to have the opinion that while the demonetization exercise was taken with good intentions, the suffering caused to millions of Indians is uncalled-for. As 500 and 1000 notes make up 86% of the currency in India, especially in the remote and rural areas, one economist compared the pain to what individuals may experience if 86% of their blood was removed from their bodies.

Demonetization did have supporters. Industrialists like Ratan Tata, K.V. Kamath, Mukesh Ambani, and Deepak Parekh, supported the move, but some economists including Nobel Prize winner Amartya Sen are critical. "According to Manmohan Singh, Modi took "a bold, even visionary, step" with demonetization in attempting to combat the black economy and counterfeiting, and cutting financial support to terrorism. "What was always the key, however, was how well the implementation process would unfold," he notes. "Even supporters of the decision would say that the implementation was far from perfect."

This redemption period for the old notes came to an end on Friday, December 30th but India's demonetization transition is far from being over. India is still moving through and adjusting to the demonetization change.

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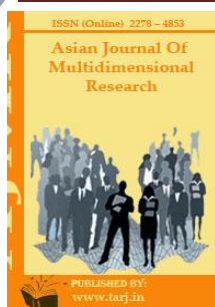
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RISK MANAGEMENT IN COMMODITIES MARKETS WITH FUTURE- AN EMPIRICAL STUDY

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ABSTRACT:

Econometric analysis is conducted on futures price and spot price series of Soybean, Jeera, Turmeric, Castor seeds, Wheat and Guar seeds. The data is obtained from NCDEX website. It has been observed that futures price and spot price series of all these commodities non-stationary at level and Stationary at first differentiation by using the ADF test and PP test. From Johansen's Cointegration test, it can be concluded that there are two cointegrated equations in Soybean, Turmeric & Guar Seeds commodities and at most one cointegration equation in Wheat, Castor Seeds, Jeera commodities price series. Vector Error Correction Model (VECM) is used to find the cause and effect relationship long run and Wald Test is used to find short-run relationship between futures and spot price series. VECM test concludes that there is a bi-direction relationship in Soybean, Jeera, Turmeric, Wheat commodities and unidirectional relation in Castor Seeds & Guar seeds from Futures to Spot in the long run. From Wald test, it can be concluded that there is bidirectional short-run relation in Soybean and Jeera commodities; Unidirectional short run relationship from Futures to Spot in Turmeric, Castor Seeds and Guar Seeds commodities trading. No short-run relation is observed in Wheat futures and spot. It can be concluded that the futures market is most useful in price discovery of agriculture commodities market and can be used as a risk management tool.

KEYWORDS: Risk Management, Agri-commodities, futures, spot, unit root, Stationary, Cointegration.

INTRODUCTION:

Futures trading in commodities started in 2003 in India and has successfully completed a period of one and a half decades. There are approximately 45 agriculture commodities are traded in the futures market. NCDEX Krishi index (Krishi) is the agri-commodities index formed by National Commodities & Derivatives Exchange (NCDEX). Till March 2019, the Index was known as “Dhaanya”. It is a notional Index & not traded on an exchange. It is constituted by ten agriculture commodities, which represents approximately 75% of futures trading in NCDEX. Out of these ten commodities, only 6 commodities were chosen for the present study, i.e Soybean, Turmeric, Jeera, Wheat, Castor Seeds, Guar seeds.

Objectives of the study are

1. To test the unit root of price series data of commodities. If data is non-stationary at the level, then convert into stationary by the first difference.
2. To test the Cointegration relationship between the futures and spot price series data.
3. To test the direction of causal and effect relationship in the long run and short run between futures and spot price series data of commodities.

Data:

The present study is based on secondary data. Daily closing prices of the near-month futures trade in NCDEX and the spot price at respective delivery centers of the commodity is used for the present study. The data is pertaining to the period from 21.12.2012 to 20.12.2018. In NCDEX, Agri Future contracts start on 21st of starting month and end on 20th of the settlement month.

Tools used:

EViewsVersion-10 is used for the analysis. The author is a licensed user of EViews software.

The Augmented Dicky Fuller (ADF) test and Phillips Perron (PP) test are used to check stationarity of data. The lag count is obtained from lag selection criterion.

Johansen's cointegration test is to find out the cointegration relation between futures and spot market prices.

Vector Error Correction Model (VECM) is used to find the cause and effect relationship in the long run, and the Wald Test is used to find short-run relationship between Futures and Spot.

Data Analysis:**1. Unit Root Test:**

Unit root test is the most important and necessary test for analyzing time series data. Before testing Johansen's Cointegration test & Vector Error Correction Model, the time series data must be tested for stationarity. The commodities daily closing price data (futures and spot) is tested with the Augmented Dickey-Fuller (ADF) test and Phillip Perron (PP) test for the above-mentioned six agri-commodities. The following ADF test equation is used for testing stationarity.

$$\Delta Y_t = \beta_1 + \beta_2 t + \delta Y_{t-1} + \alpha_i \sum_{i=1}^m \Delta Y_{t-i} - 1 + u_t$$

Y_t is a vector to be tested for cointegration, t is the time or trend variable, ΔY_t is then first order difference. $(Y_t - Y_{t-1})$ and this the pure white noise error term. The null hypothesis is that $\delta=0$, signifying unit root, states that the time series is a non-stationary while, the alternative

hypothesis, $\delta < 0$ signifies that the time series is stationary, thereby rejecting the null hypothesis. (Kar. C, & Jha, 2013).

Null Hypothesis	H0	Data is non-stationary
Alternate Hypothesis	H1	Data is stationary

It has been observed from the Table.1 result that all the commodities price series data is non-stationary at the level and stationary at the 1st difference. Further, it is noted from the EViews Reports that:

- i) The absolute Test Statistic value is less than the Critical values of the variables (at 1%, 5% & 10% significance) at the level,
- ii) The Test Statistic value is more than the Critical value at the 1st difference and
- iii) The Coefficient of the variable is negative in all Reports.

These are mandatory conditions (apart from table -1 result) to analyze where data is unit root or not.

Hence, it has been concluded that the data is non-stationary at the level and stationary at the 1st difference and is fit for conducting Cointegration test and VECM test.

TABLE-1. ADF TEST & PP TEST RESULTS

TABLE-1. ADF TEST & PP TEST RESULTS									
<u>SOYBEAN</u>		Spot at level		The spot at the 1 st difference		Futures at level		Futures at 1 st Difference	
Unit Test	Root	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic
Calculated Value		-2.333747	-2.565331	-32.89028	-32.89028	-2.588939	-3.033513	-31.17287	-31.16504
P – Value		0.1615	0.2965	0.0000	0.0000	0.0955	0.1234	0.0000	0.0000
Conclusion		Non-Stationary		Stationary		Non-Stationary		Stationary	
2. Turmeric									
Unit Test	Root	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic
Calculated Value		-2.058651	-14.65398	-2.118564	-48.07645	-2.168939	-2.210759	-35.79355	-14.65398
P – Value		0.2618	0.2374	0.0000	0.0000	0.2180	0.2026	0.0000	0.0000
Conclusion		Non-Stationary		Stationary		Non-Stationary		Stationary	
3. Jeera									
Unit Test	Root	ADF	PP Test	ADF	PP Test	ADF	PP Test	ADF	PP Test

Test	Test Statistic	Statistic	Test Statistic	Statistic	Test Statistic	Statistic	Test Statistic	Statistic
Calculated Value	- 1.06956 3	- 1.36007 7	- 30.3335 4	- 66.0642 5	- 2.15239 8	- 2.55382 7	- 28.7584 7	- 53.8756 7
P – Value	0.7296	0.6031	0.0000	0.0001	0.2243	0.1031	0.0000	0.0001
Conclusion	<i>Non-Stationary</i>		<i>Stationary</i>		<i>Non-Stationary</i>		<i>Stationary</i>	

4. Wheat

Unit Root Test	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic
Calculated Value	- 1.36395 3	- 1.11563 8	- 29.6856 3	- 29.4108 8	- 0.30324 5	- 1.63239 1	- 25.377 28	- 475.354 8
P – Value	0.6013	0.7117	0.0000	0.0000	0.5766	0.0969	0.0000	0.0001
Conclusion	<i>Non-Stationary</i>		<i>Stationary</i>		<i>Non-Stationary</i>		<i>Stationary</i>	

5. Castor Seed

Unit Root Test	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic
Calculated Value	- 2.26938 7	- 2.23726 1	- 34.3651 5	- 34.2951 5	- 1.35237 7	- 1.39004 6	- 34.345 83	- 34.3143 1
P – Value	0.1822	0.1932	0.0000	0.0000	0.6068	0.5885	0.0000	0.0000
Conclusion	<i>Non-Stationary</i>		<i>Stationary</i>		<i>Non-Stationary</i>		<i>Stationary</i>	

6. Guar Seeds:

Unit Root Test	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic	ADF Test Statistic	PP Test Statistic
Calculated Value	- 2.39915 2	- 2.40452 4	- 34.6654 9	- 34.6649 8	- 2.23600 6	- 2.18150 7	- 30.9308 7	- 30.9195 3
P – Value	0.1422	0.1407	0.0000	0.0000	0.1937	0.2133	0.0000	0.0000
Conclusion	<i>Non-Stationary</i>		<i>Stationary</i>		<i>Non-Stationary</i>		<i>Stationary</i>	

Source: Author's estimation.

2. Johansen's Co-integration Test:

In order to analyze the nature of long-run association between the futures and spot market prices of agriculture products, the Johansen cointegration test is used. The precondition of this cointegration test is that the time series data should be stationary at first difference, but not at level. It can be conducted through the kth order vector error correction model represented as

$$\Delta Y_t = \pi Y_{t-1} + \sum_{i=1}^{k-1} \rho_i \Delta Y_{t-i} + v + \varepsilon_t$$

Where, Y_t is (N X 1) vector to be tested for cointegration, $\Delta Y_t = Y_t - Y_{t-1}$, vis the vector of deterministic term or trend (intercept or trend), π and ρ are coefficient matrix. The lag length is selected by using the AIC selection criterion in EViews.

The existence of cointegration between endogenous variables is tested by the rank of coefficient matrix π . If the rank of the matrix is zero, no cointegration exists between the variables. If π is the full rank (n variables) matrix, then variables in vector Y_t are stationary. If the rank lies between zero and n, cointegration exists between the variables under investigation. Two likelihood ratios tests are used to investigate the long run relationship.

Null Hypothesis: At most r cointegrating vectors

Alternative Hypothesis: More than r cointegrating vectors are tested by trace statistics.

$$(\lambda - \text{trace}) = -T \sum_{i=r+1}^n \ln(1 - \lambda_i)$$

The null by hypothesis of r cointegrating vector against the alternative of r+1 is tested by maximum Eigen values given by

$$(\lambda - \text{max}) = -T \ln(1 - \lambda_1)$$

In our testing for cointegrating between agricultural commodity futures and spot market, n=2 and null hypothesis would be rank =0 and alternative hypothesis would be rank=1. If rank=0 existence of cointegration between the variables is rejected, and if the rank=1 existence of cointegration is not rejected, we conclude that the two series are cointegrated. However, If the rank = 0 is not rejected, we conclude that the two series are not cointegrated. (B.Kumar&Pandey, 2011).

The result of cointegration tests of six agriculture commodities is given in the Table-2. The results conclude that there are two cointegrated equations between the variables of Soybean, Turmeric, and Guar Seeds, and at most one cointegrated equation between the variables of wheat, Jeera and castor seeds. Trace statistics, as well as Max-eigen statistics, support the presence of cointegration between the variables in all six commodities. Hence, it has been concluded that there is a long-run equilibrium relationship between futures and spot market prices of these six agricultural commodities.

TABLE 2. JOHANSEN'S COINTEGRATION TEST RESULTS

1. Soybean						
Hypothesized No. of CE(s)	Eigen values	Trace Statistics	Critical Value at 5% level	Probability**	Max-Eigen Statistic	Critical Value at 5% level
None *	0.029112	48.79535	15.49471	0.0000	41.30237	14.26460
At most *	0.005345	7.492980	3.841465	0.0062	7.492980	3.841465
Conclusion: Trace statistics & Max-eigen statistics indicate 2 cointegrating eqns(s) at 0.05 level.						
2. Turmeric:						
None *	0.032989	45.41221	15.49471	0.0000	41.32754	14.26460
At most *	0.003310	4.084666	3.841465	0.0433	4.084666	3.841465
Conclusion: Trace statistics & Max-eigen statistics indicate 2 cointegrating eqns(s) at 0.05 level.						
Jeera:						
None *	0.05708	76.98992	15.49471	0.0000	74.62322	14.26460
At most *	0.001649	2.366706	3.841465	0.1239	2.366706	3.841465

Conclusion: Trace statistics & Max-eigen statistics indicate 1 cointegrating eqns(s) at 0.05 level.

4. Wheat:

None *	0.102170	170.6886	15.49471	0.0000	169.5292	14.26460
At most *	0.000737	1.159414	3.841465	0.2816	1.159414	3.841465

Conclusion: Trace statistics & Max-eigen statistics indicate 1 cointegrating eqns(s) at 0.05 level.

5. Castor Seeds:

None *	0.027554	41.33128	15.4971	0.0000	37.55274	14.26460
At most *	0.002807	3.778540	3.841465	0.0519	3.778540	3.841465

Conclusion: Trace statistics & Max-eigen statistics indicate 1 cointegrating eqns(s) at 0.05 level.

6. Guar Seeds:

None *	0.039700	53.27051	15.49471	0.0000	47.15327	14.26460
At most *	0.005242	6.117246	3.841465	0.0134	6.117246	3.841465

Conclusion: Trace statistics & Max-eigen statistics indicate 2 cointegrating eqns(s) at 0.05 level.

**MacKinnon-Haug-Michelis (1999) P-values: * denotes rejection of the hypothesis at the 0.05 level. Source: Author's estimation.

3. Vector Error Correction Model(VECM) Test:

If the cointegration criterion is validated, then it facilitates the Error Correction Model. It is used to identify the market where the price discovery occurs. The VECM is estimated by putting to use an Ordinary Least Square (OLS) in each equation.

$$\Delta S_t = \alpha_{s,0} + \sum_{i=1}^{p-1} \alpha_{s,i} \Delta S_{t-i} + \sum_{i=1}^{p-1} \beta_{s,i} \Delta F_{t-i} + \alpha_s Z_{t-1} + \varepsilon_{s,t}$$

Where ΔS_t is the change in spot price, measured by the other side of equation i.e. $\alpha_{s,i}$ and $\beta_{s,i}$ being the coefficients of lagged spot prices (denoted by ΔS_{t-i}) and lagged futures prices (denoted by ΔF_{t-i}) respectively. $\alpha_{s,0}$ is deterministic and $\varepsilon_{s,t}$ is the error term, while the lag is denoted by i . with the above explanatory equation, the VECM for two times series sets i.e futures and spot data series can be examined. (Prasanna, 2014).

Table.3 shows the result of the VECM test across six agriculture commodities. It can be observed that the coefficient term, C(1) for Soybean, Jeera, Turmeric & Wheat commodities are negative and signification in both cases when the future & the spot is a dependent variable separately. This implies that there is a bi-directional long-run causality relationship between futures and spot price series in the long run.

In case of Castor seeds & Guar seeds, the coefficient of error correction term C(1) is negative and signification only when the spot is the dependent variable, which implies that there is long-run causality relationship from futures to spot, but not vice versa.

It has been concluded that there is bi-directional long-run relation in four commodities.e Soybean, Jeera, Turmeric & Wheat between the futures market and spot market price series. It reveals that any-equilibrium that occurs in one market corrects by another market in the long run.

Further, it has been concluded from the present study that in the case of Castor seeds and Guar seeds, there is a unidirectional long-run relationship. This long-run relationship from Futures to spot only. Any in-equilibrium/ error occurs in the spot market corrected by futures market only and in not vice versa.

TABLE 3. VECM TEST RESULT

1. Soybean:						
Dependent Variable		Coefficient	Standard Error	t-statistic	Probability	Conclusion
Future	C(1)	-0.072963	0.027383	-2.664539	0.0078	F ↔ S
Spot	C(1)	-0.053877	0.017080	-3.154378	0.0016	
2. Jeera:						
Future	C(1)	-0.060870	0.019650	-3.088457	0.0021	F ↔ S
Spot	C(1)	-0.094971	0.013667	-6.948923	0.0000	
3. Turmeric:						
Future	C(1)	-0.046929	0.016433	-2.855872	0.0044	F ↔ S
Spot	C(1)	-0.076271	0.017076	-4.466625	0.0000	
4.Wheat:						
Future	C(1)	-0.509056	0.049697	-10.24328	0.0000	F ↔ S
Spot	C(1)	-0.007578	0.002652	-2.857398	0.0043	
5.Castor seeds:						
Future	C(1)	-0.031057	0.017149	-1.810957	0.0704	F → S
Spot	C(1)	-0.050905	0.011445	-4.447806	0.0000	
6. Guar seeds:						
Future	C(1)	-0.070532	0.050545	-1.395414	0.1632	F → S
Spot	C(1)	-0.165562	0.049678	-3.332689	0.0009	

Source: Author's estimation.

4. Weak Exogeneity Test (Wald Test):

The weak exogeneity test measures the speed of adjustment of price towards long-run equilibrium relationship.

If two variables are cointegrated in long run, then coefficient matrix Π (given in Eq-2) can be decomposed as $\Pi = \alpha \beta$, where β contains cointegrating vector and α measures the average speed of adjustment towards long run equilibrium. The larger the value of α , the faster the response of prices towards long run equilibrium. If the prices do not react to a shock, the value of α is zero for that series, it is said to be weakly exogeneous.

Table 4 (given below) result shows the result of Weak Exogeneity test-wald test, which is basically the short run relationship between futures and spot market. The test concludes that there is a bidirectional short-run relationship in Soybean. There is unidirectional short run relationship from futures to spot market in Jeera, Turmeric, Castor seeds, Guar Seeds. In Wheat trading, it is observed that there is no short-run relationship.

Further, it can be seen from the table.4 that in soybean and castor seeds, both spot and future responds to any discrepancies. However, the Chi-Square value is high when futures is the dependent variable. Hence, it can be concluded that even though the spot and futures prices respond to discrepancies, the speed of response of futures is more than that of the spot.

In case of turmeric, castor seeds & Guar seeds, the response is one-sided for price discrepancies, i.e. from futures to spot only and not vice versa. No short-run relation is observed in case of wheat. It may be due to minimum support prices (MSP) and other supports extended by the government.

TABLE 4. WEAK HOMOGENEITY TEST (WALD TEST) RESULT

1. Soybean					
Dependent Variable	Test statistic	Value	DF	Probability	Conclusion
Futures	Chi-Square	39.89199	10	0.0000	F ↔ S
Spot	Chi-square	22.72996	11	0.0193	
2. Jeera:					
Future	Chi-Square	734.4056	8	0.0000	F ↔ S
Spot	Chi-Square	29.88451	8	0.0002	
3. Turmeric:					
Future	Chi-square	7.85994	8	0.4473	F → S
Spot	Chi-Square	75.63823	8	0.0000	
4. Wheat:					
Future	Chi-Square	4.609937	7	0.7074	No relation
Spot	Chi-Square	7.445611	7	0.3840	
5.Castor seeds:					
Future	Chi-Square	7.006374	7	0.4282	F → S
Spot	Chi-Square	189.4712	8	0.0000	
6. Guar Seeds:					
Future	Chi-Square	11.23237	12	0.5091	F → S
Spot	Chi-Square	106.7462	9	0.0000	

Source: Author's estimation.

CONCLUSION:

Johansen's cointegration test and VECM test is applied to analyze the price discovery process of six agri-commodities, which have high weight in 'Krishi' index (earlier known as Dhaanya Index) of NCDEX during the period 21.12.2012 to 20.12.2018. The empirical analyze is based on daily price series data of futures and spot during the period. It has been observed from ADF Test and PP test that the data is non-stationary at the level and stationary at first difference. Johansen's Cointegration test reveals that there is long-run equilibrium relation between futures and spot, which is a mandatory condition conducting VECM test. Further, the VECM and Wald test is used to study the long run and short run causality between the variables. Long run bidirectional causality is observed in case of soybean, Jeera, Turmeric and wheat and in case of Castor seeds and Guar seeds, unidirectional causality from futures to spot is observed. Wald test is used for short term causality. It reveals that there is bidirectional causality between futures and spot in case of soybean and jeera, unidirectional relation from futures to spot in case of turmeric, castor seeds, and guar seeds. From this study, it can be concluded that futures trading is the most useful tool in price discovery of Soybean, Jeera, Turmeric, Castor seeds, Wheat and Guar seeds in India. Futures showed the leadership in the markets and it had a strong influence in predicting the spot prices as seen from VECM test. The market is efficient and it enables participants to hedge their Price risk.

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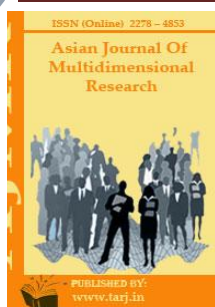
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A STUDY ON SUKANYA SAMRIDDHI YOJANA (SSY)

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ABSTRACT

"Financial Inclusion helps lift the people out of poverty and can help speed economic development. It can draw more women into the mainstream of economic activity, harnessing their contributions to society" says Sri MulyaniIndrawati. So that in present days the financial inclusion playing a vital role in the development of the economy in India. Under the scheme of Sukanya Samriddhi Yojana is going to be uplifting the women empowerment in the manner of economic support. The present study focuses on statistical data of SSY accounts and various benefits of the scheme. The SSY Account Scheme was launched as a part of the "BetiBachao, BetiPadhao" campaign by the central government on 22 January 2015 after seeking the subjugating conditions of the girl children in the country. SSY is a savings scheme formulated to benefit the parents or guardians of the girl children. The banks need to come forward to offer an account to the needy parents because post offices account dominating over bank accounts from the programme. This scheme in the future may lead the women community to achieve economic healthy and the parents will be in a state of free from stress to collect funds for marriage or education purpose of the child. The SSY is like a magic charm calms the mental turmoil of the parents or guardians, worrying about the future of their girl child. The SSY Account Scheme was launched as a part of the "BetiBachao, BetiPadhao" campaign by the central government on 22 January 2015 after seeking the subjugating conditions of the girl children in the country.

KEYWORDS: *Financial Inclusion, Economic Development, Sukanya Samriddhi Yojana and Women Empowerment.*

INTRODUCTION:

Sukanya Samriddhi Yojana (SSY) is a scheme under Financial Inclusion to Indian female child. It is essential to in a gender-biased country like India where a female child is seen as a burden and liability on the family. The SSY is like a magic charm calms the mental turmoil of the parents or

guardians, worrying about the future of their girl child. The SSY Account Scheme was launched as a part of the "BetiBachao, BetiPadhao" campaign by the central government on 22 January 2015 after seeking the subjugating conditions of the girl children in the country. SSY is a savings scheme formulated to benefit the parents or guardians of the girl children. The scheme inspires the parents or guardians to build up funds in the SSY account from the time of the birth of their girl child for the purpose of their education and marriage.

The innovative SSY scheme not only envisages the financial security for every girl child living in Indian households but also contributes towards making them financially independent. Under this scheme now, the parents are relieved from pressure, as they will save little amounts of money as per their convenience for the future of their girl child and on maturity, they will have a good sum of money to give a nice future to her. So far, more these accounts gathered more than Rs. 3,000 crores.

LITERATURE REVIEW:

Daily tools article on Sukanya Samriddhi Account Yojana-Pros and Cons stated that benefits and drawbacks, article published in Indian Express Newspaper on 21-9-2018 highlighted that the highness of the scheme, Venkatesh.R in An Analysis of Account Holders Acceptability and Satisfaction Towards SSY revealed that the changing attitude of people toward girl child and analyzed account holders awareness about the scheme and Dr. Vinod Kumar Sharma focused in the article relating to SWOT analysis of SSY Yojana.

Research Gap:

With the review of concerned literature, it is found that there is need to study the accounts opened in banks and post offices under the SSY scheme is essential so that the paper title has been taken as A Study on Sukanya SamriddhiYojana(SSY).

Objectives:

To study the accounts opened under the scheme.

To highlight conditions applicable to open an account under this scheme.

To serve suggestions for improvement of the scheme.

METHODOLOGY:

Primary data: The present study depends on secondary data so it is not required to collect this data.

Secondary Data: The present paper is prepared descriptive and analytical in nature and the data collected from a secondary source which unpublished and published in presented papers, written articles, books, newspapers, websites, and other published data.

The scope of the Study:

The present study is limited to accounts opened in various banks and post offices in different states in India upto 31.10.2016 in Banks and up to 30.09.2016 in post offices, conditions applied to open an account and provide suggestions to the improvement of the scheme. More over there may be fluctuation in a number of accounts.

State and Union Territory Wise Number of Account Opened in Banks and Post Offices

Sr. No	Name of the State	No of Accounts opened upto 31.10.2016 in Banks and upto 30.09.2016 in post offices
1	Andhra Pradesh	5,16,637
2	Andaman & Nicobar Islands	1,613
3	Arunachal Pradesh	8,904
4	Assam	1,72,237
5	Bihar	3,56,146
6	Chandigarh	2,920
7	Chhattisgarh	2,01,226
8	Dadra & Nagar Haveli	262
9	Daman & Diu	795
10	Delhi	1,65,581
11	Goa	26,269
12	Gujarat	2,70,231
13	Haryana	3,21,918
14	Himachal Pradesh	1,48,069
15	Jammu and Kashmir	1,27,774
16	Jharkhand	4,78,346
17	Karnataka	9,74,407
18	Kerala	3,32,971
19	Lakshadweep	26
20	Madhya Pradesh	4,08,037
21	Maharashtra	7,40,406

22	Manipur	20,660
23	Meghalaya	5,162
24	Mizoram	3,127
25	Nagaland	4,324
26	Orissa	3,73,829
27	Pondicherry	667
28	Punjab	2,56,260
29	Rajasthan	3,70,880
30	Sikkim	6,247
31	Tamil Nadu	13,18,040
32	Telangana	3,57,973
33	Tripura	18,578
34	Uttar Pradesh	11,04,064
35	Uttarakhand	2,55,297
36	West Bengal	6,46,202
Total		99,96,085

Number of Accounts in Banks

Sr. No	Bank Name	No of Accounts opened upto 31.10.2016
1	Axis bank	2,074
2	Bank of Baroda	31,951
3	Bank of India	51,056
4	Canara Bank	15,746
5	Central Bank of India	12,345

6	Dena Bank	872
7	IDBI Bank	13,281
8	Indian Bank	3,415
9	Punjab National Bank	39,713
10	State Bank of India	6,13,419
11	Syndicate Bank	929
12	Union Bank	15,320
Total		8,00,121

Analysis of accounts and Findings:

1. In India, under this scheme, the highest accounts opened in the state of Tamil Nadu with 13, 18,040(13.18% approx.).
2. The lowest accounts in the country contributed from Lakshadweep with 26(0.0000026% approx.).
3. In Tamilnadu the child population as per 2011 census below 6 years age is 30, 03,556 with this % of benefiting is 43.88% approx.
4. Overall nationwide girl child population is 7, 87, and 45,680 as per 2011 census below 6 years age and % of enjoying persons is 12.69% approx.
5. The post offices share of accounts is the lion's share with 91.99% on the other hand banks portion is 8.01% approx.
6. In banks related SBI is getting the first position with 76.66% and the last stood bank is Dena Bank with 0.0011% approx.

Conditions to Open an Account:

1. Parent of the girl child or legal guardian of the child can open an account under the scheme.
2. The parent or legal authoritarian has to look into the guidelines of the scheme.
3. The age of the child should be 0 to 10 years.
4. Indian resident girl child is eligible for the scheme.
5. Only two accounts can be opened by an eligible person for two children in case of twins can open another account. Duplication of account opening is not entertained.
6. The account holder can deposit the lowest amount is Rs. 250 and maximum are Rs. 1,50,000.
7. The term of the deposit is whichever is earlier either 15 years or completion of 21 years of age of the child.
8. The account can be closed in a situation of on the death of the account holder.
9. Prematurity is available at 50% of the amount deposited, for the need of the child for the purpose of education and marriage but the marriage-related child should cross 18 years age.
10. The rate of interest on these deposited amounts is flexible and revised every quarterly.
11. At loss of pass book reissue is allowed with the payment Rs.50.

12. Free transfer of account can be enjoyed by the holder of the account but relocation should be done otherwise need to pay Rs.100.

CONCLUSION AND SUGGESTIONS:

Under the financial inclusion, SSY scheme is improving the strength of the girl child's life and opportunities in society. This scheme encourages the parents or legal representatives of the child, to gather or procure funds for future requirement. It enhances the saving attitude of the people. The government has to take initiation to create awareness among the people to utilize the benefits under the scheme. The banks need to come forward to offer an account to the needy parents because post offices account dominating over bank accounts from the programme. This scheme in the future may lead the women community to achieve economic healthy and the parents will be in a state of free from stress to collect funds for marriage or education purpose of the child.

To facilitate the programme the following suggestions are useful

1. The need for funds for child exact age is uncertain so there should be flexibility to withdraw the amount from the account.
2. The scheme should cover the purpose of the withdrawal of amount required for medical and life-threatening diseases.
3. Give a chance to withdraw the 50% amount without any documentation.
4. The closing of an account after the completion of term or age, it is essential to the women cover the benefit after.
5. Allow the account holder to utilize online banking services.
6. The rate of interest should be standard; fluctuation rate is not desirable in decreasing situation.
7. Accept online account transfer for post office accounts too.
8. Loan facility should be given for the account holders.

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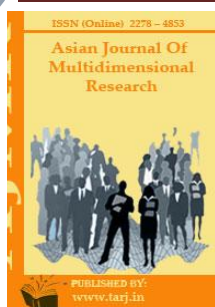
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A STUDY ON THE RELATIONSHIP AND IMPACT OF THE DETERMINANTS OF DIVIDEND PAYOUT RATIO ON DIVIDEND PAYOUT RATIO WITH REFERENCE TO SELECT INDIAN PHARMACEUTICAL COMPANIES

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ABSTRACT

The study emphasized the impact of determinants on the dividend payout ratios of the Pharmaceutical sector. The study has considered the secondary data of five pharmaceutical industries which are paying the higher dividend from the period of 2012-13 to 2017-18. The study has considered the bivariate correlation to examine the relationship of the determinants of Dividend payout ratio with the dividend payout ratio and the results indicated that the key financial variables are having the significant relation with the dividend payout ratio of the selected pharmaceutical companies. The study applied the robust least square method to know the impact of the key financial parameters on the dividend payout ratio (DPR) and the result depicted that the selected financial parameters are having the impact on the pharmaceutical dividends payout ratios. This paper is useful to the Retail Individual Investors(RII), High Net Worth Individuals(HNI), Qualified Individual Bidders(QIB) and academicians.

KEYWORDS: *Cash flow, Dividend Payout Ratio, Market to Book Value, pharmaceutical, Profit and Sales Growth.*

INTRODUCTION

Dividend policies are a shareholder decision in the form of dividends as to how much of the income should be transferred. It reflects the distribution of profits between shareholder dividends and the reinvestment of the company. The dividend policy's main goal is to maximize the shareholder's wealth. It is designed not only to increase the share price in the short term but also to maximize the owner's wealth in the long term. However, in the current study, few of them are concentrated.

Profit: In order to identify the average earning position of the company, the past profit trend of the company should be closely examined. The average revenue should be subject to general economic trends. Only a conservative dividend policy can be considered prudent when approaching depression.

Tax: Corporate taxes, directly and indirectly, affect dividends, as the distribution of dividends above the limit itself is subject to taxation; they are directly and indirectly affected by residual profits following a tax available to shareholders and indirectly. Currently, shareholders are tax-free for the amount of the declared dividend.

Sales: Growth in sales leads to an increase in working capital and/or investment. Companies need to increase their external financing to maintain the same dividend pay-out ratio. This method of funding is expensive for families, and businesses decide to lower dividend payments. Therefore, sales growth can be said to be negligibly linked to the dividend.

Cash Flow: Cash flow companies must have sufficient cash at their disposal to report cash dividends. Therefore, companies with poor working capital are unable to adopt a liberal cash dividend policy and thus have to the dividend in other ways. Dividend payments have been declared more cash-based. It later showed that managers would not raise dividends unless they were optimistic that there would be adequate cash flow.

Market-to-book value: This article explains that the Market-to-book value is a key determinant of dividend payment. The price-book value ratio could be related to the same basic values in discounted cash flow models. Since there will be multiple shareholders, we will use a discounted cash flow model to explore the determinants using the dividend discount model.

REVIEW OF LITERATURE

Turki SF Alzomaia and Ahmed Al-Khadhiri (2013)¹: The purpose of this paper is to analyze the dividend for Saudi Arabia stock markets companies (TASI), which determines the dividend factor. This model examines the impact of earnings per share (EPS), previous dividends per share in recent years, growth, D / E ratio, beta & capital size on dividend per share. This model looks at the impact of earnings per share. The results consistently support the listing of non-financial companies by Saudi in setting their dividend payments on current income by share and past dividends by share.

Sounder S. A. K, Maunick. D and Sewak. S (2016)²: The dividend policy determinants of companies listed on the Mauritian bond were explored in this paper. The model was conducted with a fixed and random effect to determine and to this end effect on the dividend policies of listed companies operating on the Mauritian stock exchange from earnings per share, net income, retained earnings, cash, and equity debt; company annual returns were used for the fiscal year 2009–2013. In addition, the dividend per share and the pay-out ratio were taken into account as two dividend policy measures. The study also attempted to compare company dividend policy on the official market with

DEM policy. Furthermore, the results show that the dividend policy is not linked to a company's cash and equity debt.

Yusuf Olatunji Oyedeko and Yusuf Babatunde Adenye (2017)³: The paper discusses factors influencing the dividend policy of Nigerian Deposit Money Banking for the period 2006 to 2015 in the context of political violence. The information was analyzed via panel data regression. The study noted that the independence of the board, the size of the board, the earnings per share and the non-executive director did not have a significant impact in pre-crisis, post-crisis and post-critical periods. However, the study found that the dividend per share was significantly affected by both firm size and political stability in both pre-crisis and crisis times, not in the post-crisis period. Political stability in the crisis period has a positive impact on the DPS, while the pre-crisis period is negative.

RESEARCH GAP

Many previous studies have focused on the dividends payout ratio role in the investor's wealth creation and also emphasized on the impact on the profitability in various sectors. But the study has been attempted to examine the determinants impact on the dividends payout ratios of the pharmaceutical sector. Hence the present study has attempted to know the determinants relation and their impact on the dividends payout ratio.

OBJECTIVES OF THE STUDY

1. To examine the relation of select pharmaceutical companies' dividend payout with the determinants.
2. To examine the impact of select pharmaceutical companies' determinants on the dividend payout ratio.

HYPOTHESIS OF THE STUDY

H₀: There is no relationship between select pharmaceutical companies Dividend Payout Ratio and determinants of Dividend Payout Ratio.

H₀: There is no Impact of the Determinants of Dividend Payout Ratio on Dividend Payout Ratio of select Pharmaceutical companies.

SCOPE OF THE STUDY:

The study has been emphasized on the pharmaceutical companies from the year of 2012-13 to the 2017-18 year. The study has considered the five pharmaceutical industries based on the high market capital from BSE India. The study has considered the following determinants were considered to examine the impact on the dividend payout ratio.

- Operating profit
- Cash Flow
- Tax
- Sale growth
- Market to Book Value

RESEARCH METHODOLOGY

The study has conducted the stationary of the data with ADF of the selected determinants.

Bivariate correlation: The study had applied the bivariate correlation to examine the dividend payout ratio with the selected financial parameters of the pharma sector.

Robust least Square method: The study has considered the Robust least square method to know the impact of determinants (independent) on the dividend payout ratio (dependent variable).

TABULATION OF DATA ANALYSIS

Objective 1: To examine the relation of select pharmaceutical companies' dividend payout with its determinants.

TABLE – 1 CORRELATION OF PHARMACEUTICAL COMPANIES

	Cipla	Aurobindo	Lupin	Dr.Reddy	Sun Pharm
Dividend Payout Ratio	1	1	1	1	1
PROFIT	-0.6801	-0.5918	-0.7221	-0.8693	-0.7580
CASH_FLOW	0.7098	0.1157	-0.5170	0.2018	0.0249
TAX	0.6958	0.0468	0.9049	-0.5345	0.3125
GROWTH_SALES	0.0963	0.5529	-0.4051	-0.6852	0.4295
MTBV	-0.7708	0.1323	-0.4628	-0.7222	-0.5716

Source: Compiled on secondary data.

The table - 1 indicates the correlation of Dividend payout of select Pharmaceutical companies. Interpretation of the Results is given below.

Cipla

The table indicates that Dividend payout of Cipla has a significant negative Strong relationship with Profit (-0.6801), Market to Book value (-0.7708), while Cash flow (0.7098), Tax (0.6958) are positively correlated with Dividend payout ratio and Growth sales are correlated weakly (0.0963).

Aurobindo

From the table illustrate that except for the Profitability ratio of Aurobindo, Remaining Parameter shows significant relationship with Dividend payout ratio of Aurobindo, in which Growth sales (0.5529) is strongly correlated, while Cash flow (0.1157), Tax (0.0468) and Market to Book value (0.13230 is weakly correlated with Dividend payout ratio.

Lupin:

The table indicates that the dividend payout ratio has a significant positive relationship with Tax, while Profit to Total assets is negatively correlated, like wise Cash flow (-0.5170), Growth sales (-0.4051) and Market to Book value (-0.4628) are correlated negatively with Dividend payout ratio.

Dr. Reddy:

It indicates from the above table that the dividend payout ratio shows a positive relationship with Cash flow. Dividend payout shows a negative relationship with Profitability (-0.8693), similarly, Tax (-0.5345), Growth Sales (-0.6852) and Market to Book Value (-0.7222) are negatively correlated with Dividend payout ratio.

Sun Pharma:

Table illustrates that Sun pharma dividend payout shows a positive moderate relationship with Tax (0.3125) and Growth Sales (0.4295), while Cash flow is weakly Correlated with dividend payout i.e., 0.0249, whereas the Profitability and Market to Book value are correlated negatively. Therefore the study confirming that Rejection of Null hypothesis and Acceptance of Alternative hypothesis i.e., Relationship exist between Dividend payout ratio with a determinant of select pharmaceutical companies.

Objective 2: To examine the impact of select pharmaceutical companies' determinants on the dividends payout ratio.

TABLE – 2 REGRESSION RESULT OF CIPLA

Dependent Variable: DPR				
Method: Robust Least Squares				
Sample: 1 5				
Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.455113	0.236654	1.923113	0.0545
PROFIT	0.371154	0.102144	3.633650	0.0003
CASH_FLOW	-0.002908	0.003678	-0.790746	0.4291
TAX	-0.225422	0.160175	-1.407353	0.1593
GROWTH_SALES	-0.000221	0.000168	-1.318888	0.1872
MTBV	2.648435	5.773210	0.457266	0.6475
Robust Statistics				
R-squared	0.652620	Adjusted R-squared		0.478930
Rw-squared	0.909281	Adjust Rw-squared		0.909281
Akaike info criterion	18.32088	Schwarz criterion		21.84903
Deviance	1.993723	Scale		0.397174
Rn-squared statistic	27.58255	Prob(Rn-squared stat.)		0.000004

Source: Compiled on secondary data.

Robust Least square depicts the Cipla's determinants impact on its Dividend payout. Result indicates that Profitability of Cipla has a significant positive influence on Dividend Pay-out i.e., with 0.3711 which means one unit rise in Profitability, 0.3711 units increase in Dividend payout ratio while Remaining determinant such as Cash flow, Tax, and Growth sales and Market to Book value are influenced with their respective coefficient value has -0.0029, -0.2254, -0.0002 and -0.00000264, whereas p-value for this determinant is greater than 0.05 which signifies that it is statistically insignificant. There by confirming that there is a significant influence of Profitability of Cipla on its Dividend pay-out and adjusted r square is 0.90 which means the model is strongly fit.

TABLE – 3 REGRESSION RESULT OF AUROBINDO

Dependent Variable: DPR				
Method: Robust Least Squares				
Sample: 1 5				
Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.279760	0.053881	5.192173	0.1211
PROFIT	0.139550	0.166106	0.840125	0.4008
CASH_FLOW	-2.113405	5.188905	-0.407335	0.6838
TAX	3.331960	3.236500	1.029495	0.3032
GROWTH_SALES	0.581606	3.955407	19.18289	0.0000
MTBV	0.361212	1.396312	4.406489	0.0000
Robust Statistics				
R-squared	0.681688	Adjusted R-squared		-2.363376
Rw-squared	0.734594	Adjust Rw-squared		-0.734594
Akaike info criterion	7.611741	Schwarz criterion		8.306401
Deviance	0.001013	Scale		0.017069
Rn-squared statistic	44.31720	Prob(Rn-squared stat.)		0.000000

Source: Compiled on secondary data.

The table depicts the influence of Aurobindo determinant on its Dividend payout ratio. It indicates that determinants such as Growth sales have a significant positive influence on Dividend payout with 0.5816 that means units increase in Growth sales, 0.5816 units rise in Aurobindo Dividend Payout. Likewise, Market to Book value is influenced by 0.3612, while remaining determinant such as Profit, Cash flow and Tax are influenced insignificant. Therefore it is concluded that Growth sales and Market to Book value are determinants that has significant on Aurobindo dividend payout and adjusted r square is 0.73 which means the model is strongly fit.

TABLE – 4 REGRESSION RESULT OF LUPIN

Dependent Variable: DPR				
Method: Robust Least Squares				
Sample: 1 5				
Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-0.006063	0.077885	-0.077845	0.9380
PROFIT	0.236013	0.183714	1.284676	0.1989
CASH_FLOW	-9.812707	3.942806	-0.249253	0.8032
TAX	3.790970	1.634799	2.318922	0.0204
GROWTH_SALES	-9.887206	1.031605	-0.959674	0.3372
MTBV	-1.562311	1.642111	-0.951701	0.3412
Robust Statistics				
R-squared	0.853341	Adjusted R-squared		0.413364
Rw-squared	0.942486	Adjust Rw-squared		0.942486
Akaike info criterion	5.423949	Schwarz criterion		8.512016
Deviance	0.000138	Scale		0.008164
Rn-squared statistic	13.87792	Prob(Rn-squared stat.)		0.003076

Source: Compiled on secondary data.

Robust least square method indicates the Lupin determinants impact on its dividend payout. The result indicates that except the Tax, remaining determinants p-value is greater than 0.05 that means it is statistically insignificant. Hence concluded that Tax is significant influence positive on dividend payout with 3.7909 which means units rise in Lupin Tax, 3.7909 units increase in its dividend payout and adjusted r square is 0.94 which means the model is strongly fit.

TABLE – 5 REGRESSION RESULT OF DR. REDDY

Dependent Variable: DPR				
Method: Robust Least Squares				
Sample: 1 5				
Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	0.606193	0.137321	4.414413	0.0000
PROFIT	-2.367528	1.405935	-1.683952	0.0322
CASH_FLOW	0.000631	0.000661	0.954893	0.3396
TAX	-4.048282	3.880020	-1.043366	0.2968
GROWTH_SALES	0.000678	0.001798	0.377137	0.7061
MTBV	-3.12E-09	5.267309	-0.593717	0.5527
Robust Statistics				
R-squared	0.747684	Adjusted R-squared		-0.009264
Rw-squared	0.903129	Adjust Rw-squared		0.903129
Akaike info criterion	5.581585	Schwarz criterion		8.532120
Deviance	0.011211	Scale		0.073165
Rn-squared statistic	7.872783	Prob(Rn-squared stat.)		0.048715

Source: Compiled on secondary data.

Above table depicts the impact of Dr. Reddy lab's determinant on its dividend payout. Result indicates that Profit of Dr. Reddy has a significant negative influence on dividend payout with -2.367 that means units rise in Profit, -2.367 unit decrease in Dividend payout ratio, while other determinants of Dr. Reddy is influenced insignificant (i.e., p-value for determinant such as cash flow, tax, Growth sales, and Market to Book value seems to be greater than 0.05). Therefore, Dr. Reddy lab shows significant influence on its dividend payout and adjusted r square is 0.90 which means the model is strongly fit.

TABLE – 6 REGRESSION RESULT OF SUN PHARMA

Dependent Variable: DPR				
Method: Robust Least Squares				
Sample: 1 10				
Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-0.104925	0.072639	-1.444457	0.1486
PROFIT	-0.230869	0.086363	-2.673248	0.0075
CASH_FLOW	-0.002187	0.001660	-1.317680	0.1876
TAX	0.680330	0.081316	8.366459	0.0000
GROWTH_SALES	-0.000136	0.000317	-0.426982	0.6694
MTBV	-1.01E-11	9.40E-11	-0.107614	0.9143
Robust Statistics				
R-squared	0.740770	Adjusted R-squared		0.611155
Rw-squared	0.996522	Adjust Rw-squared		0.996522

Akaike info criterion	19.61408	Schwarz criterion	26.27995
Deviance	0.806849	Scale	0.217412
Rn-squared statistic	716.0759	Prob(Rn-squared stat.)	0.000000

Source: Compiled on secondary data.

Robust least square Method depicts the independent variable (Sun pharma determinants') impact on its dividend payout (dependent variable). The result indicates Profit shows a significant negative influence on Dividend payout that means one unit increase in profit, -0.2308 units decrease in Sun Pharma Dividend payout, while Tax shows significant positive influence on dividend payout. Whereas other determinants such as Cash Flow, Growth sales and Market to Book value are influenced insignificant. Thereby confirming that sun Pharma determinant like Profit and Tax has a significant influence on its dividend payout and adjusted r square is 0.99 which means the model is strongly fit.

FINDING OF THE STUDY

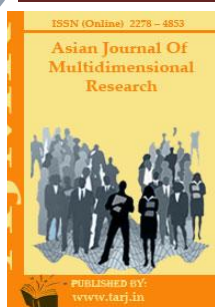
1. The study observed that the Profit of select Pharmaceutical companies is negatively correlated with its Dividend Payout.
2. It found that determinants of Dividend payouts of Lupin and Dr. Reddy are negatively correlated with its Dividend payout, except Tax in Lupin and Cash Flow in Dr. Reddy are positively correlated with its dividend payout.
3. The study found from Robust Least Square that Profit of the Cipla, Sun Pharma has a significant positive influence on its dividend payout, while Dr. Reddy lab profit is negatively influenced by its dividend payout.
4. It has been found with the Robust Least Square Method that Aurobindo's sales growth and Market to Book value is positively influenced on Dividend payout with their respective coefficient value 0.5816 and 0.3612.
5. The study examined Tax in Lupin shows significant positive influence on its Dividend payout with 3.331.

CONCLUSION OF THE STUDY

The study has been focused on the Impact of determinants of dividend on the dividend payout ratio of the select pharmaceutical industries have been studied with the help of secondary data i.e., 2012-13 to 2017-18. The study has considered the five companies from NSE India based on the high market capitalization. The study has applied the bivariate correlation to measure the relationship of determinants of dividends with the dividend payout ratio of the selected five companies and the result reveals that the majority of the determinants of dividends are having the negative relation with the profitability of the selected pharmaceutical companies. The study has adopted the Robust least square method to check the impact of determinants of Dividend payout on Dividend payout ratio and the result indicates that the key financial factors are significantly influencing the selected pharmaceutical dividend payout ratio. Hence there is a need to do further research in this area by considering the multiple sectors and compare the impact of determinants of Dividend Payout Ratio on the Dividend Payout Ratios.

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Multidimensional
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UGC APPROVED JOURNAL



**PENETRATION LEVEL OF AGRICULTURE APPS: A STUDY IN
NALGONDA AND KARIMNAGAR DISTRICTS OF TELANGANA STATE**

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ABSTRACT

Agriculture is considered as the backbone of Indian economy. Agriculture sector contributed 15.4% of the GDP in 2017 (CIA FACKBOOK). Agriculture is a data –intense enterprise when one considers soil variability, moisture and nutrient levels, rainfall variability, and timing of key operations like plating, harvesting and market price volatility. Advanced agriculture industries help farmers manage these production and market risks through the application of spatial/temporal data bases that are cloud enabled and integrated through Application Programming Interfaces (APIs). As a part of DIGITAL INDIA campaign, the start-ups and the tech companies have teamed up with the government to develop mobile applications for farmers in India. The Indian government and the other research institutes have introduced several mobile applications in favour of farmers to aid for their agriculture practices and marketing for a profit. The present study was conducted to find the penetration level of Agriculture apps by the farmers in Nalgonda and Karimnagar districts of Telangana State. Questionnaires were administrated to 87 farmers from both districts by using convenience sampling method. The study explains that the penetration level of agriculture apps is still in its budding stage and is greatly dependent on the technological awareness with the farmers. Adding to this the availability of smart phones is also a major factor to be considered. It was found that only 12.7% respondents of the respondents are using the apps. The major reason being lack of awareness to the farmers. People who are users of theses apps used for information regarding pesticides and fertilizers followed by Disease diagnosed and weather forecasting. Farmers got benefited in yield increase and better pest management by using Agriculture apps.

KEYWORDS: Agriculture apps, Smart phones, Farmers, penetration level

INTRODUCTION

Agriculture is considered as the backbone of Indian economy. In INDIA, agriculture is a primary source of livelihood for about 58% of Indian population out of 68% of rural population. Agriculture sector contributed 15.4% of the GDP in 2017 (CIA FACKBOOK). With the years passing by developments took place in agriculture schemes and policies .The present government On July 1st, 2015 launched DIGITAL INDIA campaign to create digital infrastructure for empowering rural communities and for enabling digital delivery of services. The key component to support the implementation of digital agriculture is spatial (and temporal) Data Infrastructure and low-cost smart phones and tablets to support the bi-directional flow of data and information. Agriculture is a data – intense enterprise when one considers soil variability, moisture and nutrient levels, rainfall variability, and timing of key operations like plating, harvesting and market price volatility. Advanced agriculture industries help farmers manage these production and market risks through the application of spatial/temporal data bases that are cloud enabled and integrated through Application Programming Interfaces (APIs). Smart phones are the other key intervention as they are equipped with GPS to track where photos of field infestation or damage have taken place for technical support.

As a part of DIGITAL INDIA campaign, the start-ups and the tech companies have teamed up with the government to develop mobile applications for farmers in India. The Indian govt. and the other research institutes have introduced several mobile applications in favour of farmers to aid for their agriculture practices and marketing for a profit.

There are many applications launched in recent past with regard to agriculture, of which 7 are government applications & many other private apps for aiding farmers in better cultivation. These provide large data about crop diseases and pest, fertilizer requirements, market prices, weather forecast, information about schemes, events, crop insurances, custom hiring of machines etc.

Agriculture Apps	
Government apps	Private sector Apps
e Nam	Plantix
Kisan suvidha	Farm rise
Mkisan	Napanta
IFFCO kisan	CCE app
Pusa krishi	My agriguru
Crop Insurance	Krishi hub

Though there are lots of apps assisting in agriculture, many other factors influence their usage like- illiteracy, financial, social beliefs of the farmers etc.

Significance

Inmobi, a leading ad tech start-up, notes in its flagship study “The Changing Face of the Indian Mobile users”- in which it reports that smart phone penetration in India grew to 23.8% by the end of 2018 and also rural India has brought 100 million more people online since 2015.

As per Telecom Minister Manoj Sinha's statement – in 2018 there were 472.72 million wireless internet subscribers out of which 30% were of rural India. These reveal the greater penetration pace of smart phones and internet in rural areas in the recent past.

The Boston Group study says that about 315 million rural Indians will get internet connection by 2020 as against 120 million today. As the internet connections in rural areas are getting more popular and there is increase of Smartphone penetration in rural areas too, the farmers are able to research on the farming solutions.

INNOVATIONS

1. "e-sayam" ,a pilot project in karimnagar district in Telangana is gaining attention from various other district due to its ability to provide good information and management practices to farmers .The project allocates a cluster (5000 acres)to each AEO. Solutions and suggestions are provided to farmers through whatsapp group whose members are agri scientists, AOs, AEOs and other agri experts.

2. Ms. Prachi Saswat et.al has developed a website named Krishi Mitra which gives the information related to crops and weather update. The website also provides farmers with the facility of expert advice both in Marathi and English languages. The system also provides new information regarding to crops, seeds, fertilizers etc.

3. Kumar varma from kukatpally, Hyderabad has developed an app – "MY FARMER" with an objective to help farmers sell their produce at the desired price in the nearest markets and also to provide quality products to the consumers. It also provides information about which crop to grow and the various management practices for different crops.

PRESENT SCENARIO

Indian agriculture has been a key contributor to India's growth story and continues to be one of the biggest employees. The gross Value add (GVA) for agriculture sector was INR 17.67 trillion (USD 274 billion) in 2018, over a production base of 285 million tons. The sector is likely to grow at rate of 2% on a year on year basis. The present trends that are expected to shape the industry are:

DIGITAL INNOVATION in agriculture .It has its applicability in infrastructure development, supply chain management and technology enablement of areas such as quality, traceability, logistics and distribution and other areas like value chain.

FOCUS ON DEVELOPING STARTUP ECOSYSTEM more incubation happening for development and early stage start-ups while more funding is likely to continue in mid stage start-ups.

LEVERAGING THE FARMERS PRODUCER ORGANISATION : There is a huge potential in monetising the number of farmers getting connected through FO.FPO structure is currently in need of support services to enable them to secure business acumen and market intelligence.

LITERATURE REVIEW

Jamaliuddin.N (2013) studied "adoption of e-commerce practices among the Indian farmers, A Survey of Trichy district in the state of Tamilnadu"- The data has been collected from 518 respondents. This study has been used multiple regression statistical method and concluded that e-commerce practices by farmers in the study area of Trichy district are still in infant stage. The study concluded that there is a wide gap between knowledge gathering and practicing. The obstacles and constraints were poor internet connectivity, heavy charges by private internet players.

Razaque & Sallel (2013) studied “The Use Of Mobile Phone Among Farmers For Agriculture Development”, wherein focus was given on provision of marketing and weather information to farmers through ICT (Information, Communication and Technology). Even though mobile phones are increasing among the farmers but still there is a gap available among business, customers and farmers. The study suggests that there is a need for enhancement of different projects about mobile phone technologies where farmers could get easy access to communication with people to sell their produce in the markets.

Mittal & Maher (2015) analysed the Socio-economic Factors Affecting Adoption of Modern Information and Communication Technology Farmers in India. The primary survey data of 1,200 farmer households of five Indo-Gangetic states of India, covering 120 villages was analysed using Multivariate Probit model. This study concluded that farmer's age, education level, and farm size influence the farmer's behaviour in selecting different sources of information. The study reveals that farmers use multiple sources of information, that may be complementary or substitute to each other. This implies that any single source doesn't satisfy all informational needs of the farmers. The gap here is that not all the information is available at one source.

Campbell (2005) mobile phone technology has closed the distance and also farmers get more important information within time, without any problem.

May & Hearn (2005) mobile phone is a good medium to disseminate information to different layers of the society.

OBJECTIVES OF THE STUDY

1. To find the penetration level of Agriculture apps by farmers in Nalgonda and Karimnagar districts of Telangana state.
2. To identify variables which are beneficial to farmers by using Agriculture apps.
3. To identify the reasons behind the non utilization of Agriculture apps by other farmers.

RESEARCH METHODOLOGY

SCOPE OF THE STUDY

The study is limited to two districts Nalgonda and Karimnagar of Telangana. The data is collected from the farmers.

TYPES OF STUDY

The present study is descriptive in nature. It is descriptive as it includes surveys and fact findings, enquiries of usage and present status of Agri apps.

SOURCES OF DATA

The study depends on both primary and secondary data.

Primary Data: The primary data was collected through questionnaires administered to farmers.
Secondary Data: the secondary data was collected from respective websites.

STATISTICAL TOOLS

Descriptive statistics, percentages, Garrett Ranking Method and Pie Charts were used.

SAMPLING METHOD

Convenience sampling was done for the collection of data from farmers.

SAMPLING SIZE

Approximately 200 were distributed but only 110 questionnaires were used for analysis.

LIMITATIONS

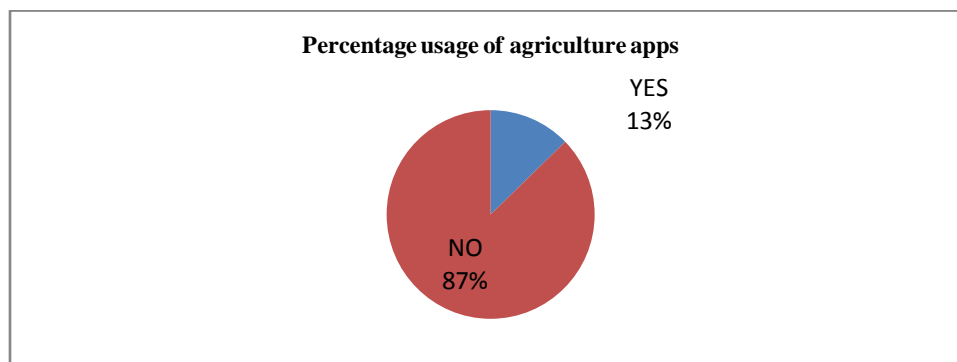
The present study is confined to the farmers of only 2 districts of Telangana State.

FUTURE SCOPE OF STUDY

The same can be extended to others for conducting survey of the whole Telangana state.

DATA ANALYSIS AND INTERPRETATION**1. Do you use agriculture apps?****TABLE 1.1 PERCENTAGE USAGE OF AGRICULTURE APPS**

	No of respondents	Percentage
YES	14	12.7
NO	96	87.3
TOTAL	110	100



Mostly used apps- KISAN SUVIDHA, PLANTIX, NAPANTA

2. What are the major features used through agriculture app?**TABLE 1.2 PERCENTAGE OF USAGE FEATURES OF AGRICULTURE APPS**

S.NO	INFORMATION REGARDING	TOTAL(14)	PERCENTAGE
1	Pesticides and fertilizers	6	40
2	Weather forecasting	2	14.2
3	Market prices	1	7
4	Production techniques	1	7
5	Custom hiring	NIL	NIL
6	Soil information	NIL	NIL
7	Online buying option	NIL	NIL
8	Disease diagnosis	4	28.5
9	Hybrid seeds	NIL	NIL
	Total	14	100

3. What are the factors being influenced through usage of apps?

TABLE 1.3 GARRETT RANKING OF BENEFITS

S.NO	BENEFITED WITH	GARRETT RANKING
1	Yield increase	I
2	Better pest management	II
3	Easy access to market prices	III
4	Better crop management	IV

4. What are the reasons for non utilization of apps?

TABLE 1.4 REASONS FOR NON-UTILIZATION OF AGRICULTURE APPS

REASON	TOTAL	PERCENTAGE(OUT OF 96 NON USERS)
Not Having smart phones	21	21.8
Lack of awareness	57	59.3
Lack of trust	3	3.1
Network problem	9	9.3
Others	6	6.2

FINDINGS

It was found that only 12.7% respondents of the respondents are using the apps. Most of the farmers are not being used because lack of awareness. People who are users of these apps used for information regarding pesticides and fertilizers followed by Disease diagnosed and weather forecasting. Because of usage of these apps they got benefited in yield increase and better pest management.

SUGGESTIONS

These basic digital knowledge can be provided to farmers by conducting trainings in regular intervals of time. There are basic requirements of network which can be provided through wifi connections within a village and also. Demonstrations must be conducted so as to assist them in using these apps in a better way.

CONCLUSION

The present trend of digital world has entered agriculture sector also but it still seems to be in the budding stage of development. There are many apps that are available in play store but their usability is limited to only some farmers. These farmers who are app users also belong to a middle age group with basic education level which reveals that the use of the apps is greatly influenced by farmer's knowledge of Smartphone operation. Pesticides and fertilizer information is ranked first among the other features in the apps. This feature is explored much against information on disease diagnosis, market price etc. This explains that much research has to be done in the field of pest management and help farmers in better management. The farmer's behaviour towards using of apps has to change to increase receptivity levels toward technological changes in agriculture. Agriculture department plays a key role in spreading awareness to farmers and also aiding them to get the remunerative prices for their produce.

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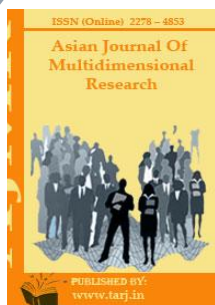
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FINANCIAL PRODUCTS AND INNOVATIONS PROLIFERATION OF INDEX FUNDS AND LONG-TERM WEALTH CREATION

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ABSTRACT:

This paper focuses on the emerging trends in Funds Management around the world. There is a need for greater awareness about financial literacy among the general public in India and in the developing economies around the world. The main goal of this paper is to highlight the innovations like "Index Funds" introduced by John Bogle at The Vanguard Group in 1975. John Bogle is generally credited with creating the first index fund at The Vanguard Group. The Index Fund Innovation introduced by Vanguard had generated immense wealth for the general public who lacked the financial acumen to invest in the volatile stock market in the United States. Thus this showcased the follies of active investing vis-à-vis passive investing and also led to the growth S&P 500 Index Funds at other major Wealth Management firms like BlackRock, Fidelity, and Morgan Stanley, etc. There is a need for adapting this Index Fund concept for the benefit of the general public in emerging economies like India, South Africa, Brazil, and other G-20 countries. In India, a layperson typically invests one's hard-earned money in real-estate investments or gold ornament purchases and there is a general lack of awareness about the need for investing in the equities and the huge potential for wealth creation by making passive investments in an Index Fund.⁽¹⁾⁽²⁾

KEYWORDS: Index Fund, Active Investing, Passive Investing, ETF, Investment, Speculation, Wealth Creation and Psychology.

INTRODUCTION:

To explore the concept of Index Fund, new forms of investing in the developing economies, and to have a qualitative comparison with the actively managed funds like Hedge Funds and Mutual Funds.

Investment vs. Speculation:

It is very important to understand the difference between Investment and Speculation before making a decision about putting one's hard-earned money to work. When a person carries out a detailed

fundamental analysis regarding a company's future earnings and growth prospects then we can consider the money allocated for the purchase of this company's stock to be an Investment.

Instead, if a person engages in guesswork or high-risk activity based on hearsay then it would be more akin to gambling than investing and these types of activities are considered to be Speculations. Any rational individual who hopes to grow his or her wealth would do well if he or she engages in investment activities rather than pursue some speculative ventures.

Active Investing:

The general investing stock market can be categorized as active investing. Any mutual fund manager investing the fund's cash would take a call on the market's direction and would buy shares of some companies with the intention of getting dividends on the shares and also generate capital gains on the share sales.

Any retail or individual investor can also be termed as an active investor when he or she decides to invest in some companies on the BSE-500 and declines to invest in the other companies on the BSE-500. This active investing strategy would lead to undiversified and highly correlated stocks in the investor's portfolio. Thus this would be detrimental to the investor if the market goes through a downturn and an undiversified portfolio would perform poorly during a crash on the stock market.

Any individual investor or a Mutual Fund manager or a Hedge Fund manager would have certain personal biases or prejudices about the stock market trajectory and thus this would lead to concentrated portfolio bet, which would entail individual stock risk and the sector risk. Thus there is a need for creating a portfolio where we would be able to address the personal bias of an investor, the individual stock risk and the sector risk.

Cost Implications for Active Investing:

A typical retail investor would pay a certain amount of money as brokerage commission or expense when buying or selling stock through an intermediary or brokers like Motilal Oswal or ICICI Securities and so on. Thus these expenses over time would add up to a huge amount and affect the overall portfolio returns for a retail investor.

A typical mutual fund would deduct a certain percentage of the money invested in the mutual fund as management expense and thus these expenses would erode the returns on the investment made by the mutual funds. Whereas an Index Fund would have minimal operating expenses and it would offer investors very high tax efficiency. Thus the superior returns on investments would be passed along to the investors.

Therefore we can say that the costs of making investments would reduce the gains for a smart investor and increase losses for amateur investors. But the only individuals who are guaranteed to succeed are the middlemen like the brokers, the bankers, the mutual fund managers, the marketers, the lawyers and the accountants, etc. When any person gambles their money in a casino, the house always wins. In horse racing, the racing track always makes money.

Most individual investors have irrational exuberance about their ability to carry out fundamental analysis and due diligence of a company's future growth but end up with mediocre returns after taking into account the overall costs involved in the investment process.

BSE 500 Index Fund or Exchange Traded Fund (ETF):

Any Fund that invests in all the BSE 500 stocks with the weighted-average allocation of capital and then holds this market portfolio forever is called a BSE 500 Index Fund or Exchange Traded Fund (ETF).

Many Fund management houses in the US offer various S&P 500 Index Funds. These funds offer investment opportunity with the very low transaction or management cost for the investors and provide a diversified portfolio for the investors. Thus they generate superior returns when compared to other actively managed fund managers or hedge funds.

The Index Fund simply owns Corporate India, buying an interest in each public-listed company in the BSE stock market in proportion to its market capitalization and then staying invested for the long run.

Thus by investing for the long run, investors can enjoy the cumulative long-term returns earned by the businesses, which include the annual dividend yield plus the annual rate of earnings growth of all the companies on the BSE 500 stock market. The only assumption made by an Index Fund investor is that the future of the Indian economy is bright and prosperous. Thus by investing money in a well-managed BSE Index Fund, any investor can reap the future dividends that the Indian economy has to offer.

Passive Investing using Index Fund:

The strategy of passive investing involves owning a small number of shares in all the publicly listed companies on the stock market at a very low cost. This strategy ensures that investing in the stock market index would capture the entire gain or returns that these companies generate in the form of earnings growth and dividends. The index fund is a diversified portfolio that has multiple stocks and it tracks or mimics the performance of the entire BSE 500 stock market.

Advantages of investing in an Index Funds:

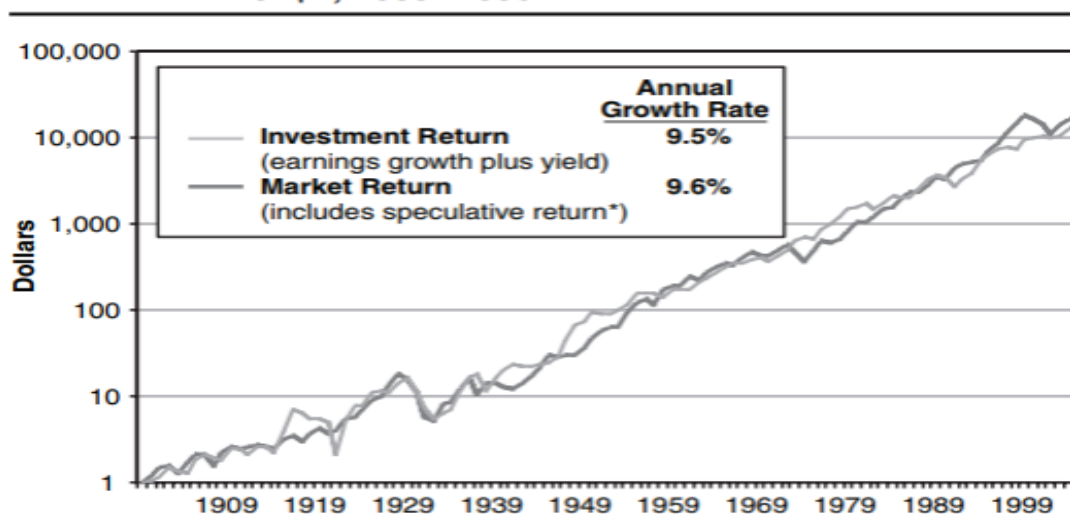
1. It eliminates the risk of individual stocks.
2. It eliminates sector or market risks.
3. It eliminates the personal bias of any active fund manager.
4. It offers a great long-term chance to create wealth for the investors by using Buy & Hold Strategy.⁽¹⁾

The only risk that an index fund or passive fund does not eliminate is the stock market risk.

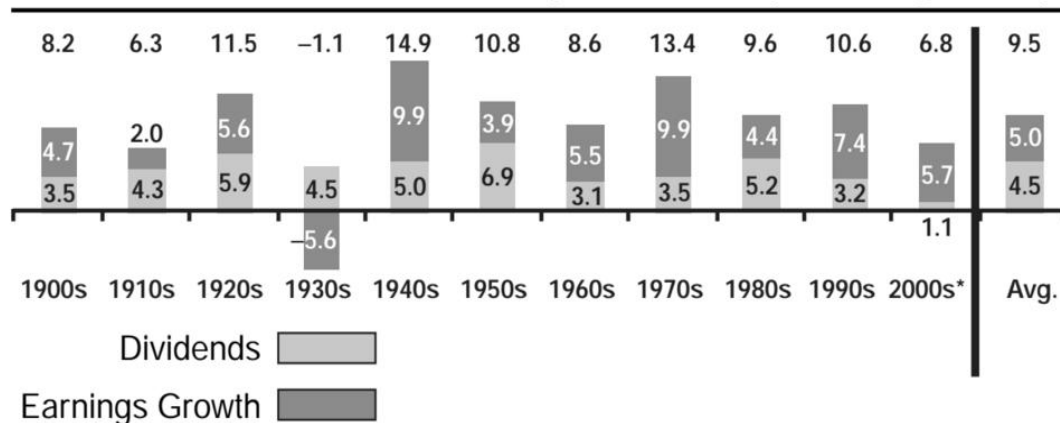
Long-term Wealth Creation:

The goal of any fund is to create long-term wealth creation for the investors who invest in the fund. Index funds offer superior returns to investors due to the magic of compounding. When businesses are profitable, they reinvest the profits in the business and aim for increased future growth in revenue and profits.

Over the past 20th century, corporations in the USA have generated a return on their capital of 9.5% per year. When we compound at the rate of 9.5% over a decade, each \$1 initially invested would grow to \$2.48; over two decades, \$6.14; over three decades, \$15.22; over four decades, \$37.72, and over five decades, \$93.48. Figure 2.1 and figure 2.2 given below shows the investment return versus market return from 1900 to 2005 in America. Thus the magic of compounding would generate amazing returns to investors if they stay invested in the market over a very long period of time.⁽¹⁾

EXHIBIT 2.1 Investment Return versus Market Return—Growth of \$1, 1900–2005

* Impact of change in price-earnings ratio.

EXHIBIT 2.2 Investment Return by the Decade (Percentage/Year)

Example: In the 1980s, the P/E multiple rose from 7.3 to 15.2 times, a 110 percent increase, equal to 7.7 percent per year.

*2000–2005 inclusive.

In an economy due to the growth, innovation, and increased the productivity of corporations, wealth is created for the investors who own shares in these corporations. Thus investors who want to be the beneficiaries of the magic of compounding should invest in an Index Fund and stay invested for the long run. Thus the future dividends and earnings growth of BSE 500 stocks would be embedded in the overall returns of an Index Fund.

Psychology of an Investor:

Any investment philosophy involves a certain amount of personal bias. Most investors are emotionally affected by the ups and downs of the unpredictable stock market system. Thus leading to an irrational urge to buy and sell stocks on a regular basis rather than follow a buy and hold strategy adopted by some of the famed investors like Warren Buffett and Charlie Munger.⁽³⁾

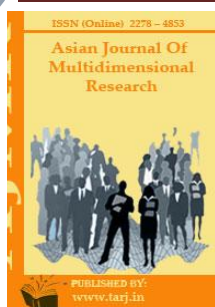
When the level of investment or trading activity is high, it leads to higher costs of financial intermediation and taxes, thus it results into a lower net return for the investors. Ordinary investors should consider a more impassioned and calm approach proposed by this paper. Investors should join the new financial revolution of passive investing by investing in the S&P 500 Index Fund or an equivalent BSE 500 Index Fund. Thus leading to a more economical, more efficient and more productive way of investing one's hard-earned money.⁽¹⁾

CONCLUSION:

There is a need for financial literacy among unsophisticated retail investors about the benefits of buying and holding an Index Fund. As Warren Buffett has mentioned in the latest 2018 Berkshire Hathaway annual letter to the investors, the management fees that are charged by actively managed funds like Mutual Funds and Hedge Funds would eat away the portfolio returns of any fund and therefore offer mediocre returns over the long run. Any layperson with no finance background would do well if he or she chooses to invest a certain sum of money in the Index Funds through a systemic Investment Plan (SIP). This would eliminate most risks faced by an active investor. Thus long-term wealth creation can be achieved through a passive investment strategy by investing in Index Funds.⁽³⁾

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A STUDY ON BHARAT 22 EXCHANGE-TRADED FUND

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ABSTRACT

In India, the Exchange Traded Fund (ETF) segment got a boost in 2014, when the government decided to divest in Central Public Sector Enterprises (CPSEs) through the ETF route. Since then, the government has mobilized about Rs350 billion through two ETFs - CPSE ETF and Bharat 22 ETF. The foundation of Bharat 22 ETF was laid by the government in the Union Budget 2017 as a vehicle to achieve its divestment target and was launched on 17 November 2017. The Bharat 22 ETF aims to provide returns that closely correspond to the returns provided by the S&P BSE Bharat 22 Index, subject to tracking error. The Bharat 22 ETF a passively managed mutual fund scheme as its portfolio closely maps the Bharat 22 Index. This study is an attempt to know about the relatively new financial product, Bharat 22 ETF, introduced by the Government of India to achieve its divestment target. It is concluded that Bharat 22 ETFs are for investors looking to invest in stocks of public sector enterprises in a cost-effective manner, investors seeking to create wealth over the long term and investors aiming for liquidity or the capability to convert their investment into cash easily.

KEYWORDS: ETFs, Index, Risk-Return

INTRODUCTION

Exchange Traded Fund (ETF) is a basket of securities traded like individual stocks on an exchange. ETFs can track indices of various asset classes such as equity, fixed income, and commodities. ETFs are a variant of mutual funds schemes the units of which may be bought or sold only on a stock exchange. ETFs are mutual funds that track a specific index and one may call the ETFs as index funds that can be traded online. In ETFs, the fund manager's role is absent as the ETF would merely track the index and no active management needs to be done. Returns would largely be the same as the index returns. First ETF in India was launched in December 2001. However, the ETF segment got a boost in 2014, when the government decided to divest in Central Public Sector Enterprises (CPSEs) through the ETF route. The CPSE ETF is benchmarked to NIFTY CPSE Index. Since then, the government has mobilized about Rs350 billion through two ETFs - CPSE ETF and Bharat 22 ETF. This study is an attempt to

know about the relatively new financial product, Bharat 22 ETF, introduced by the Government of India to achieve its divestment target.

LITERATURE REVIEW

Madhavi Lokhande and Shruti Manisha (2011), elaborated on a comparative analysis of Shares, ETFs and traditional managed funds and concluded that Exchange-traded Funds has the benefit of a stock and a traditional managed fund.

Suchismita Bose (2012), found that there is a statistically significant change in the causal relationship between Mutual Funds and foreign institutional investors invest in the Indian equity market during the most recent bout of heightened economic and policy uncertainties.

Denys Glushkov (2015), analyzed whether ETFs beat their Benchmarks by tilting their portfolios to well-known factors such as size, value, momentum, quality, beta and volatility and to test if Smart Beta funds harvest factor premiums more efficiently than their traditional cap-weighted benchmarks by periodic trading against price movements.

Umarani & Deepa, (2014), concluded that ETFs have grown tremendously during the last decade and have become a significant part of the equity market activity; hence, regulators are keeping a close watch on any potential impact of these products on financial stability and market volatility. In India, trading in ETFs has been quite limited relative to the U.S. and Europe. Only 25% of ETFs are affected the total turnover of the National Stock Exchange and Bombay Stock Exchange. Emerging market regulators have been appropriately cautious in not allowing complex ETFs. In countries such as India, trading in ETFs has been quite limited relative to the U.S. and Europe ETFs based on broad market indexes with sufficient liquidity appear to be suitable products for retail customers.

Rupel Nargunam & Anuradha N, (2017), demonstrated by tests of stationarity employed in the paper suggest, that the daily price changes are not arbitrary and the logarithm difference series of closing prices are stationary. Thus, the respective GETF prices in the last period 2010–2015 do not follow a random walk. They do exhibit some serial correlation, which allows for future prices to be estimated using suitable forecasting techniques. In an efficient market, however, historical prices are not useful in predicting the future, the price changes are supposed to be random in nature. The current paper's results confirm that the price discovery on the considered derivative market is not happening as expected, the conclusion being that the GETF market in India is not weak form efficient.

Research Gap

Most of the earlier research is focussed on other ETFs. There is no research done in the area of Bharat 22 ETF, as this is a relatively new product. This study is an attempt in this direction.

Objective

The objective of this study is to know about the relatively new financial product, Bharat 22 ETF, introduced by the Government of India to achieve its divestment target.

RESEARCH METHODOLOGY

This research paper is descriptive in nature based on secondary data. Data sources referred are relevant websites, news papers, research articles, and other sources.

Bharat 22 ETF

The foundation of Bharat 22 ETF was laid by the government in the Union Budget 2017 as a vehicle to achieve its divestment target and was launched on 17 November 2017. As per the scheme's objective, the Bharat 22 ETF aims to provide returns that closely correspond to the returns provided by S&P BSE Bharat 22 Index, subject to tracking error. This makes the Bharat 22 ETF a passively managed mutual fund scheme as its portfolio closely maps the Bharat 22 Index. The Bharat 22 ETF holds the same stocks in the same proportion as they are in the index. The Scheme is an open-ended exchange traded fund which invests in similar composition and weights as they appear in the S&P BSE Bharat 22 Index.

S&P BSE Bharat 22 Index

The index is comprised of 22 stocks of Central Public Sector Enterprises ("CPSE"), Public Sector Banks and private entities which are Strategic Holding of Specified Undertaking of Unit Trust of India ("SUUTI"). These 22 stocks are invested across six sectors (Basic Materials, Energy, Finance, FMCG, Industrials and Utilities). The government of India appointed ICICI Prudential AMC to incorporate, launch and manage Bharat 22 ETF. The strength of the Index has been demonstrated in its performance from the time of its launch in August 2017 wherein it has out-performed the NIFTY-50 and Sensex. The Index constituents include leading Maharatanas and Navratanas such as Coal India, GAIL, Power Grid Corporation of India Ltd. (PGCIL), National Thermal Power Corporation (NTPC), Indian Oil Corporation Ltd., Oil & Natural Gas Corporation (ONGC), Bharat Petroleum, and National Aluminum Company (NALCO), three Public Sector Banks such as SBI, Bank of Baroda apart from the 3 private sector companies mentioned earlier.

THE INDEX CONSTITUENTS



Source: Press Information Bureau

Investment Philosophy

- Bharat 22 ETF is a passively managed scheme; its portfolio closely maps the Bharat 22 Index.
- This scheme aims to replicate the S&P BSE Bharat 22 Index by buying the same stocks in the same proportion as they are in the index.
- The fund managers do not take any sector or stock exposure that is different from what constitutes the chosen index.

Key Features

- The scheme tracks the S&P BSE Bharat 22 Index that comprises 22 stocks of Central Public Sector Enterprises (CPSEs), Public Sector Banks (PSB) and strategic holdings of SUUTI (Specified Undertaking of the Unit Trust of India).
- The index is designed to track stocks of companies selected by the Government of India for their divestment program.
- The weight of each individual stock is capped at 15% and each sector is limited to 20% of the overall index weight. The constituents of the index can be revised annually.

Risk level

The Scheme is intended for investors who are seeking long-term capital appreciation through a diversified portfolio which is largely comprised of high-quality public sector undertakings.

Redemption

The units of Bharat 22 ETF are listed on BSE and NSE and thus can be freely traded on the stock exchange like equity shares. Alternatively, redemption requests can be sent to the Fund House directly.

Performance

The historical data reveals that Bharat 22 ETF has outperformed the S&P BSE Index and Nifty 50 on risk-adjusted basis over 5-year and 10-year horizon. The taxation treatment of Scheme is in line with other equity mutual fund schemes. Short-term capital gain is taxed at 15%. Long-term capital gains are taxed at 10% (only if the gains exceed Rs 1 lakh) (Economietimes.com, 2019).

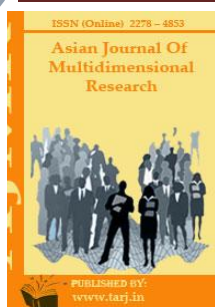
CONCLUSION

Investors need to be aware that Bharat 22 ETF is a 100 percent equity fund and although diversified across sectors, the underlying commonality is that all are government owned institutions. The portfolio exposure should ideally be restricted to not be more than 5 percent of the total portfolio. The significant positive is that the 22 stocks which make up the basket are predominantly a large cap one. Bharat 22 ETFs are for investors looking to invest in stocks of public sector enterprises in a cost-effective manner., investors seeking to create wealth over the long term and investors aiming for liquidity or the capability to convert their investment into cash easily.

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EMOTIONAL TWINS IN STOCK MARKETS

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ABSTRACT

Human beings are considered to be rational, but are we taking rational decisions in our life always? There may be some yes, but it goes unheard in a loud no. If we had taken rational decisions all the time, today's world (including stock markets) would have been much different. If all the stock market participants are rational, both the risk and reward will be significantly lower than today and scientific/rational theories like Capital Asset Pricing Model (CAPM), Efficient Market Hypothesis, etc., would not have been invalidated in practice. So, it clearly shows that most of the times, not all market participants are rational and they are ruled by their emotions, in particular, the evil emotional twins "Greed" and "Fear" anxious excitement. Read on to know more how emotions rule stock markets...

KEYWORDS: *Two evil Emotions - Greed's Rule – Fear's Rule – Ways to tackle- Common Mistakes – Temperament - Intellectual Frame Work.*

INTRODUCTION

Greed's Rule

The primary inducement for a new person to enter into the stock market is the stories they see and hear about minting money by their friends or relatives in the bull market. The optimistic amateur newbie will be tempted by the marketing specialists of broking companies (who are looking for potential targets of both men (client) and money (incentives)) to open a trading account and start their journey in hitherto uncharted waters. If we are lucky to make profits in the first few trades, then, it will lead to excitement and force us to allocate more money to stock markets without assessing our risk-taking ability. On the other side, if we are unlucky, our ego will not let us go out of markets and we will allocate more money to recoup the losses. The relatively much smoother sailing in bull markets compared to bear markets, easy money (profits/gains without much effort) and targets like Sensex @ 100000 by 2022 hyped by media houses will increase the greedy quotient

of investor and pushes us to venture into thrills of Day-Trading/Derivatives, without knowing that the world's all-time great investor

Mr. Warren Buffet termed them as “weapons of mass destruction”. Finally, the greedy phase will end with being into a euphoric state of trumpeting ourselves as the smartest investor in the world and legendary investors like Buffett, Lynch and others are nothing in front of us.

Fear's Rule

All is well until the bubble bursts. When it bursts, the money just burns like what happened in January 2008 when the trading was suspended amid benchmark indices (NIFTY & SENSEX) breached the lower limits of circuit filter. The noise of the bubble burst will always be in dangerous decibels, even to make the amateur deaf when the word “stock market” is uttered. For the participants experiencing such a massive fall for the first time, our greed will be replaced by fear and anxiety, which causes adrenaline rushes and the first thing we know is “I don't know what to do?” After some sell-off, we believe stocks are trading cheaper compared to the peak earlier and deny “it is not a sell-off, it is just a temporary setback”. Since we believe that we are long-term investors (without knowing the difference between investor, trader & speculator), we buy more stocks by anticipating that the price of the stocks will soon cross their earlier peaks, but markets do not work that way. To our shock, the indices will continue their downward journey. Now, we could witness two types of participants based on our personality traits. If we are not over optimists, we may sell-off all our holdings (or) we just forgot about stock markets and will never login to our trading account. If we (a newbie witnessing bear markets for the first time) are over-optimists, we will try to average our holdings by buying more, only to pay the price later. Our sailing will not be smooth in bear markets. It will be a very rapid fall with extreme volatility, prolonged periods of low tides and forces panic selling even by the over-optimists. The fear will rule every where and we could find some great brands, high-quality franchises and companies run by top-class managements at dirt-cheap valuations.

Greed Vs. Fear

Compared to greed's rule, fear's rule is more powerful and ruthless because even in euphoric times, the market may move up in a comparatively slow manner than how they fall in bear markets. Generally, the bull market takes years to build, but bears don't require that much time. They ruthlessly crash the markets, sets the street in panic mode and paint red everywhere with a bloodbath. Image Source: www.google.co. Compared to greed's rule, fear's rule is more powerful and ruthless because even in euphoric times, the market may move up in a comparatively slow manner than how they fall in bear markets.

Ruling Greed & Fear

To rule (to have a career in) anything, we must know how it works. The stock market is a place where theories were never put into practice because members (emotions) play a major role than numbers (fundamentals). Humans are social animals often driven by emotions rather than rationality and we ourselves don't know how we react in certain circumstances. The stock market is a place, where emotion is the main driver; no one can predict the direction of the market with perfection. In case of bank deposits, there is an assured rate of return and the return of capital (subject to Deposit Insurance & Credit Guarantee Corporation Cover and so far, none of the banks were allowed to fail in India). In case of land or gold, physical possession of the asset along with multiple utilities of the asset and the status attached with it is a soothing factor when the price/perceived value decreases.

However, in the case of Stock Markets, we must realize that both Return on Capital & Return of Capital are uncertain and shares held in DEMAT Account don't have multiple utilities like that of other assets. This is the primary reason, why emotions (in particular, greed and fear) play a primary role in stock markets. But, investing in shares is like owning a company, the profit or loss, the company is making have to be shared by all these shareholders (owners).

In the initial days, adrenaline rushes will take decisions rather than rational analysis. So, there will be a lot of mistakes and a significant amount of capital will be lost in the process. The best attitude is to consider whatever money lost as "tuition fees paid to Mr. Market". So, to have emotional control amid volatility, we must know how much of capital we are ready to sacrifice as tuition fees and for how much rate of return? Knowing answers to these questions will help us taking informed decisions, having a smooth ride in volatility and a peaceful midnight sleep.

Common Mistakes

If we look back at our mistakes, the most common mistakes will be:

1. So-called Expert Advice & SMS Tips – We bought/sold stocks based on the calls made by these so-called experts in media. Most of these experts' recommendations and tips are made with vested interests and it is a recipe to fall in the trap. If we look at these experts advice, we could see their color changing skills and speed will put even chameleon to feel ashamed. Blinding not following anyone and there is no free lunch in the stock market is the first lesson we must learn in the stock market.

2. Gambling – Almost all the new investors entered Stock markets would have thought it as a place, where money can be minted easily by gambling, but stocks must be considered as wealth creation and financial planning tool. Our return expectation from Stock Market must be reasonable and we must have the patience for the stocks to compound over long-term.

3. Herd Mentality – We just followed the masses instead of taking our own decisions. In all the financial markets, the general public (masses) will be the last one to participate because of their inability to control their greed and they buy investments at top of the cycle. We must realize all financial markets will be overcrowded only when the sale is on premium and it rarely finds any buyers when the sale is on discount. Recent Bitcoin episode is a good example to understand this. Everyone talked about bitcoin when it was making new highs every passing hour and most of the people (including people from the non-finance background) seemed bullish when the price was at \$ 20,000. No one or no media cares about it when it is at \$ 8,000. So, we must avoid herd mentality and chasing anything only for returns without knowing the risk attached to it.

Necessity for A Different Kind Of Temperament

If we realize these mistakes after burning our fingers, we could know the only reason we burnt our fingers was "Emotions took center stage in our decision making rather than rationality and our analytical ability". Regarding mistakes, even the experienced legendary investors are bound to make mistakes and no one can be right all the times, but most of them rarely get carried away by their emotions. At times, some of the experienced ones in the stock market will also get carried away by their emotions mostly during euphoria (out of greed & envy over others success) and panic (out of fear). It needs consistent practice to put emotions in the backburner when taking decisions in the stock market. For doing that, we must be self-aware, must spot our weak points in emotional control and take steps to overcome it.

The reason why we need a different kind of temperament to be successful in Stock market is everywhere else, we need belly fire to overcome the failures, criticisms, etc., but in stock market having belly fire is a sure shot recipe for disaster. In the US and even in most of game-related Warren Buffet quotes, most of the analogies are related to baseball. Similarly, in a cricket-obsessed nation like India, we could learn our investing by watching cricket. We could always find one thing common between the “best finishers” of the game. They keep their emotions under control, remain cool despite wickets falling at the other end and have enormous patience to wait for the right moment.

There is no other expert better than the individual himself/ herself in the stock market because the only person who knows much about his personality is the individual himself/ herself. There is no fixed strategy to make money in the stock market. Once we became aware of our personality, we can easily figure out which strategy could work well for us and after a reasonable period of adopting this strategy, we can find the strategy is generating fruitful returns. Once we find our strategy to make money in the stock market, there is one virtue that at any cost must be acquired to become successful in the stock market is “Patience”. Having patience, in a sense, it means “Doing Nothing” and waiting until we get a better deal. “Stock Market is a device for transferring money from the impatient to the patient”.

“**Warren Buffett**” the inspiration for most people in the stock market, once said, “I am 85% Benjamin Graham and 15% Philip Fisher”. Let us see what Graham and Fisher said about the role of emotions in the stock market.

“In the short run, a market is a voting machine but in the long run, it is a weighing machine”. – **Benjamin Graham**

In the short run, just like the eleventh-hour election gimmicks, popularity decides to vote; recent news and other happenings, emotions will drive stock prices, but in the long run, the stock price of a company will weigh only the earnings of the company, quality, and its prospects.

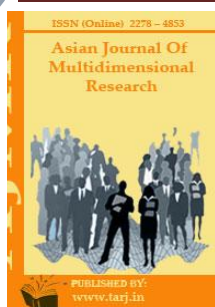
“One of the ablest investment men I have ever known told me many years ago that in the stock market a good nervous system is even more important than a good head”. - **Philip Fisher**

CONCLUSION

“To invest successfully over a lifetime does not require a stratospheric IQ, unusual business insights, or inside information. What’s needed is a sound intellectual framework for making decisions and the ability to keep emotions from corroding that framework”.

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A STUDY ON DEMONETISATION ON INDIAN ECONOMY

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ABSTRACT:

Demonetisation was a major economic incident and move by the government. The purpose of demonetization is to move from a tax noncompliant society to a compliant society. Demonetisation is generally considered to have a good effect in the long term as it accelerates the digitization of the economy. This will help the government to track black money which included income which had not been reported and was untaxed, money gained through corruption, illegal goods sales and illegal activities such as human trafficking and counterfeit currency. The paper focuses on how the demonetizations resolve against corruption, black money, terrorism, and counterfeit currency notes.

KEYWORDS: *Demonetisation, Indian Economy, Black money.*

INTRODUCTION:

Demonetisation is the act of stripping a currency unit of its status as legal tender. It occurs whenever there is a change in national currency. India carried out demonetization twice before in 1946 and 1978. The first demonetization was occurred in 1946, during the rule of Nehru. It was undertaken to target the tax-evading business corporations which were hiding the profits. The second demonetization took place in 1978 under the Janata party Government to combat tax evasion through black money. The process involved the demonetization of Rs.1000, Rs.5000 and Rs.10000 notes. On November 8, 2016 the Prime Minister of India announced the demonetisation of Rs.1000 and Rs.500 notes and the issue of new Rs.2000 and Rs.500 notes in their place to the cabinet in a meeting just before his unscheduled broadcast over T.V. at 20:15 IST called 'Notebandi' in Hindi, demonetization rendered the Rs 1000 and Rs 500 notes of the Mahatma Gandhi series invalid starting from midnight of 8th November. This will help the government to curb corruption and black money and decided to demonetize the higher denomination notes to rid of these problems.

LITERATURE REVIEW:

VeerKumar.K (2017) in his paper several measures were taken such as tax evasion and funding of legal activities. Some people are depositing excess into bank accounts and showed unaccounted income to higher tax and other penalties.

Arpit Guru (2010) in his paper the researcher identified how black money has caused in our economy and in what ways it is used.

Singh (2017) highlighted the seriousness of the black economy situation in India.

Sharma (2017) attempts to understand the benefits and drawbacks of demonetization in terms of black money, fake currency and different segment of the society.

Singh and Roy (2017) argued that demonetization increased bank deposits and gave impact on savings and their channelization to capital markets.

Objectives of the study:

1. To study the impact of demonetization
2. To study the advantages and disadvantages of demonetization
3. To study the benefits to the government by the demonetization

RESEARCH METHODOLOGY:

The paper is a descriptive study. The data is collected from a secondary source such as newspapers, books, periodicals, and websites, etc.

Impact of demonetization:

Demonetisation affects the economy through the liquidity side. It creates a situation where lack of currencies, investment, production, employment, etc. Demonetization led to disruptions in economic and industrial activity schemes encouraging digital payments, special discount offers and promotion did not ease the impact on consumer durables market.

The impact on the durables and appliances segment was palpable as the market operates 80% cash. The more impact has on the common public in cash payments as many are not card holders.

The number of income tax returns filing increased from 43.3 million to 52.9 million between the financial year 2016 and 2017 which was not a significant increase compared to increase 2015 and 2016. The tax-to-GDP ratio has increased due to expanding the tax base. There was no increase in new taxpayers due to demonetization.

Demonetisation negatively impacted the midday meal scheme due to a shortage of funds.

Several people died from standing in queues for hours to exchange their demonetized banknotes.

Advantages of Demonetisation:

The decrease in corruption:

Many officials taking bribe will refrain from corrupt practices as it will be hard for them to keep their unaccounted cash.

Curbing Black money and counterfeit currency:

The Government estimated that three lakh crore of the bank notes would be permanently removed from circulation. According to RBI, people who deposited black money in bank accounts. This helped the Government in slowing down the plague of the shadow economy and stops the use of a counterfeit cash to fund illegal activity.

Financial Inclusion:

The Government opened Jan Dhan account for financial inclusion purpose. After demonetization people were depositing the cash in banks. These accounts have suddenly seen a spike in usage and individuals who had these will start using them and help them in inculcating banking habits.

Reduction in terrorism:

The reason behind the demonetization is blackmoney used for terrorism gambling etc. The government is putting to an end this circle of people doing legal activities. Banning high-value currency will rein in criminal activities like terrorism etc.

Cashless society:

Many e-commerce sites praised the move, Use of debit and credit cards, e-wallets and card swipe machines greatly increased. All the transactions have to be through the banking methods and individuals have to be accountable for each penny they possess. It will help merchants to integrate different kinds of the transaction through one PoS machine, which will help to eliminate their operational inconvenience and streamline cash flow. Customers will receive a charge-slip as proof of payment after processing any type of transactions through MOP.

Increase Tax revenue:

The Income tax collections have risen rapidly and monitoring the accounts and collecting tax with penalties will increase the tax revenue for the government. There will also be a much higher collection of income and other taxes by the Government.

Disadvantages of Demonetisation:**Cashless economy:**

India still lags a lot behind to be cherished by cashless economy due to illiteracy, less knowledge about technologies.

Cash crunch:

Due to cash crunch, the farmers who largely depend on cash to buy seeds, fertilizers and pay for sowing and for other related agriculture equipment remained worst affected.

Real Estate Sector:

Real estate sector has still gasping for buyers. This has resulted in poor cash flow leading to a poor demand

Falling interest rates:

The falling interest rates is not good news who save their money in banks as they are less benefitted.

Printing new currency:

The distribution of old currency units and printing new currency involve cost and there no use of demonetization.

Effect Business firms:

Industrial activity is going to slow down in a delay in payment of wages and purchases of input. It also affects the media and advertising industry to a large extent as a consumer where choosy, where to spend their money.

Benefits to the Government by the Demonetisation:

Demonetisation is an acceleration in the financialization of savings. Many transactions by banks are being identified and firms have been penalized.

The income tax department has taken action against more than 1,150 shell companies that were allegedly used.

Terrorism was another objective of demonetization that has been successfully achieved.

Digital payments provided a significant and sustained push. Mobile payments and card payments through Pos have increased significantly.

People tend to deposit their cash with a bank and store less physical currency at home. This helps them to save.

The Government receives more taxes and can undertake more developments projects. This leads to better performing.

It promotes and develops a cashless economy through digital payments and also brings transparency in the real estate industry especially while purchasing lands.

The investors will not be able to use unaccounted funds in real estate. So, the developers will be forced to set lower prices should go down.

Due to demonetization, banks will have more liquidity at their disposal due to higher deposits from people all over the country. It will provide cheaper loans and better credit terms.

CONCLUSION:

Demonetisation has reduced the corruption, black money and terrorism also. And it increases digitalization in the country. But the main motive of government behind demonetization was to stop the circulating of fake currency which was used by terrorists focused on the cashless economy, digital India, etc. So now the government can keep the record of any people who are purchasing anything. There is a huge increase in the number of tax payer after demonetization. India's recovering growth will drive South Asia to the fastest growing region. Indian economy has recovered from the effects of demonetization. India should strive to accelerate investments and exports to take advantage of the recovery in global growth.

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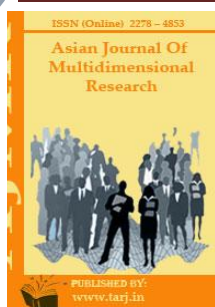
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INVESTORS' PERSPECTIVE TOWARDS IPO- IPOS PERFORMANCE AND COMPARISON WITH THEIR COMPETITORS

Lakshmi Rawat*; Chennubotla Sashank Sharma**; Namani Manoj kumar***

ABSTRACT

With this study, we tried to analyze the factors that a rational investor consider the subscription of IPO. We also tried to analyze the performances of stocks and compared their performance with their respective competitors for one year from the date of IPO stocks listing. 50 companies were selected for this study, which issued their IPO between 2016 and 2017 through random sampling method. This comparison may not be legible but we tried to analyze their performance with their competitors. However, negative performance around 14% is not a bad sign for IPOs as they were newly traded in the market. We also tried to analyze the performances of stocks in the secondary market by selecting the stocks of companies which issued IPO from 2016 to 2017 and calculating the gain/loss percentage as on the date after one year from its issue. This study was done with a selection of stocks which were issued in 2 years period of time and calculating the performance for 1 year from its issue. Long term performance of the stocks was not analyzed in this study. For this, the closing price of the first trading day and offer price were considered. Long term performance was also measured including and excluding initial returns. They also analyzed whether returns are more in long term or short run. The small sample size was used for analysis. You have to calculate the existing competition in that sector and the possibility and ability of the new company to tackle the competition and become successful in that sector.

KEYWORDS: *Investor perception, IPO, stock performance*

INTRODUCTION:

Initial Public Offering (IPO) is the primary equity offering of a company to the public through stock exchanges. With this study, we tried to analyze the factors that a rational investor consider the subscription of IPO. An average investor considers many factors while subscribing for IPO, unlike in the secondary market where an investor mainly looks into the previous fluctuations of the prices of the stocks before investing in equity. We also tried to analyze the performances of stocks in the secondary market by selecting the stocks of companies which issued IPO from 2016 to 2017 and calculating the gain/loss percentage as on the date after one year from its issue. We also compared such percentage with its competitors stock gain/loss percentage for the same time period.

REVIEW OF LITERATURE:

SANTHOSH ANALOG, VIMAL BALASUBRAMANIAM, TARUN RAMADORAI in 2015 studied the allocation of 57 Indian IPO lotteries to 1.7mn investors between 2007 and 2012. They found that investors who are experiencing exogenous profits tend to apply for future IPOs and tilt their portfolios towards the IPO stocks.

DR.S.POORNIMA, AALA J.HAJI &DEEPA.B (2017) Conducted A STUDY ON THE PERFORMANCE OF INITIAL PUBLIC OFFERING OF COMPANIES LISTED IN NSE, INDIA & Gulf Base GCC Index.They tried to find out the performance of IPOs for a short period. The traditional method was used to find the short-run performance. For this, the closing price of the first trading day and offer price were considered. Long term performance was also measured including and excluding initial returns. They also analyzed whether returns are more in long term or short run. The small sample size was used for analysis. The results of their study concluded that IPO stocks are good long term investment instruments.

DR. GAGAN KUKREJA aimed at measuring the investors' perception of the Indian capital market. His major finding was age has a significant impact on investment. He concluded that investor has a huge scope of capital appreciation in an emerging market like India only if elements like trust and guidance existed among the investors and brokers. He also suggested brokers use the available tools effectively and be interactive with the investors.

BARATH A. JAIN & OMESH KINI study of THE POST-ISSUE OPERATING PERFORMANCE OF IPO FIRMS investigated the change in operating performance of firms after transiting from private to public ownership. They found that after public issue firms exhibit a gradual decline in their operating performance compared to the pre-IPO operating performance. They supported the contention that high pre-IPO operating performance may lead investors to optimize the growth of firms after IPO.

JAY R. RITTER in 1991 studied the LONG RUN PERFORMANCE OF INITIAL PUBLIC OFFERINGS and stated that there was substantial variation in the underperformance year to year and across industries. He evaluated the long run performances of IPOs by calculating 3 years buy and hold returns of both IPOs and a set of matching firms. His study documented the time and industry dependence of the long run performance of IPOs

Investing in an Initial Public Offer (IPO) can be a lucrative opportunity and at the same time, the investor can be in a dilemma whether to subscribe for an IPO or not.

Factors Considered before investing in IPO**Investment Knowledge**

It is not wise to believe rumors and success stories of IPOs at face value, for investing in IPOs is not easily learned and there could be some misconceptions. So it is best to venture into IPOs only after you have learned the art of investing your hard earned money in them.

IPO vs Secondary Market

Is the IPO likely to give you better returns than buying in the secondary markets? There are two issues here. Firstly, whether the issue is aggressively priced and secondly whether the post listing price will leave anything for you on the table. Go by recent experiences and be guided by what similar IPOs have delivered to investors.

Peer Comparison

Before subscribing an Initial Public Offering you should watch the peer companies operating in that specific sector and their performance. You have to calculate the existing competition in that sector and the possibility and ability of the new company to tackle the competition and become successful in that sector.

Investment Rating

There are many rating agencies which are in operation like Crisil, Morgan-Stanley, Standard& Poor, etc. You have to follow the rating given by these rating agencies. Generally, A+ rating is an ideal investment grade of an IPO in which you are free to invest your hard earned money.

However these are not the only factors to consider before investing in an IPO, one should trust the management and the product of the company more than the issue price.

RESEARCH METHODOLOGY:

50 companies were selected through random sampling which issued IPO between 1st January 2015 and 31st December 2016. Stock prices on the listing date and 1-year later date from the listing date were taken and calculated the profit or loss percentage and compared it with the profit or loss percentage of respective company's competitors stock for the same time period. Simple statistical methods were used to analyze the collected data.

TABLE 1

<u>S.no</u>	<u>(A)COMPAN Y</u>	<u>Price on listing date</u>	<u>price after one year</u>	<u>COMPETIT OR</u>	<u>Price on (A)s IPO listing date</u>	<u>Price after one year</u>
1	Sanghvi Brands	69	41	Delta corp ltd.	264.15	239.45
2	HDFC Life	290	392.7	Sbi life insurance	642.35	577.5
3	SBI Life Insurance	700	542.05	DCM Shriram Limited	429.45	426.25
4	MRC Exim	15	2.46	S H Kelkar and Company Limited	259.3	174.3
5	Dynamic Cables	40	31	B.C. Power controls ltd	20.82	30.75
6	Nouritrans Exim	30	5.39	Sahyog multi-base limited	17.4	6.97
7	Quess Corp	317	896.6	BLS International Services Limited	96.85	193.85
8	Akash Infracore	125	125	Aqua Pumps Infra Ventures Limited	18.1	23.9
9	Bhakti Gems & J	20	20	Asian star company ltd	679	845.5

10	Bharat Wire Rop	45	88.05	Bedmutha Industries Limited	12.5	26.4
11	ANG Lifescience	80	66.65	Apollo Hospitals Enterprise Limited	1,082.60	1,182.70
12	D P Wires	75	75	Hindustan Wires Limited	37.5	36.4
13	ShankaraBuildi	460	1,686.15	ABans Enterprises Limited	5.07	5.32
14	Bohra Industrie	55	15.5	Basant Agro Tech (India) Limited	7.03	6.64
15	7NR Retail	27	18	Ashapura IntimatesFashion limited	402.1	446.3
16	Healthcare Glob	218	226.5	Apollo Hospitals Enterprise Limited	1,396.40	1,216.20
17	Narayana Hruda	250	339.65	Fortis Healthcare Limited	173.7	185.6
18	SikkoIndustrie	32	31	Bharat Agri and Fert Realty Limited	86.5	143.1
19	HUDCO	58	59.05	Ajmera Realty & Infra India Limited	232.4	249.8
20	ICICI Prudentia	334	388.8	Edelweiss Financial Services Limited	121.3	275.9
21	Zodiac Energy	52	16.95	DRA Consultants Limited	39.8	14
22	Sagardeep Alloy	20	21	CubexTubings Limited	9.65	14.3
23	Varun Beverages	445	504.15	Manpasand Beverages Limited	361.2	441.45
24	RatnabhumiDeve	63	78	Abhishek Infraventures	4.34	3.3

				Limited		
25	Mahindra Logist	429	526.85	Allcargo Logistics Limited	166.15	108.25
26	NitirajEngine e	100	47.3	A2Z Infra Engineering Limited	40.9	33.45
27	Maheshwari Logi	68	68	ABC India Limited	90	98.15
28	Parag Milk Food	215	248.25	HatsunAgro Product Limited	300.42	591.29
29	Equitas Holding	110	165.35	Abhinav Leasing and Finance Limited	20.1	16.25
30	AU Small Finance	358	639.15	Alka Securities Limited	0.2	0.38
31	Sheetal Cool Pr	80	140	ADF Foods Limited	240.45	209.65
32	CHOTHANI FOODS	10	10	ADF Foods Limited	233.45	250.25
33	Share India Sec	41	80.55	AF Enterprises Limited	6.93	1.02
34	Jigar Cables	30	36	KEI Industries Limited	239.6	421.95
35	India Green Rea	30	8.71	AGI Infra Limited	81	155
36	Jash Engineering	120	79	A2Z Infra Engineering Limited	36.2	12.55
37	PashupatiCot sp	75	50	Advance Lifestyles Limited	28.5	28.5
38	Dhanuka Realty	40	40	Ajmera Realty & Infra India Limited	142.85	231.7
39	Dev Information	42	42	3i Infotech Limited	5.35	5.25
40	DilipBuildcon	219	527.23	AGI Infra Limited	92.25	190.1
41	Shri Ram	19	19	RMC	39.25	78

	Switch			Switchgears Limited		
42	GTPL Hathway	170	122.7	52 Weeks Entertainment Limited	95	3.7
43	Darshan Orna	60	29.05	Atlas Jewellery India Limited	17.7	73.05
44	Manav Infra Pro	30	30	Anant Raj Limited	60.35	47.35
45	Kaarya Facility	40	34.25	Ashram Online.com Limited	1.05	4.59
46	Music Broadcast	333	72.92	ACE Edutrend Limited	1.9	2.17
47	KMS Medisurgi	30	30	ABM Industries Incorporated	41.9	32.63
48	Pure Giftcarat	13	22.8	Atlas Jewellery India Limited	72.5	64.8
49	PSP Projects	210	530.65	Ahluwalia Contracts (India) Limited	380.1	400.65
50	General Insuran	912	530.65	DCM Shriram Limited	511.7	374.75

*Source for prices: <https://in.finance.yahoo.com/>

Table 1 shows the randomly selected companies and stock prices at one-year interval from IPO listed date along with their respective competitor stock prices for the same time period. The competitors were selected randomly from the list of the competitors which perform similar operations of the respective companies.

TABLE 1.1

s.no	gain/loss% of stocks of IPO issued company	gain/loss% of respective competitors	Δ gain/loss%
1	-40.5797	-9.3507477	-31.2289523
2	35.41379	-10.095742	45.509532
3	-22.5643	-0.7451391	-21.8191609
4	-83.6	-32.780563	-50.819437
5	-22.5	47.694524	-70.194524
6	-82.0333	-59.942529	-22.090771
7	182.8391	100.15488	82.68422
8	0	32.044199	-32.044199

9	0	24.521355	-24.521355
10	95.66667	111.2	-15.53333
11	-16.6875	9.246259	-25.933759
12	0	-2.9333333	2.9333333
13	266.5543	4.9309665	261.6233335
14	-71.8182	-5.5476529	-66.2705471
15	-33.3333	10.99229	-44.32559
16	3.899083	-12.904612	16.803695
17	35.86	6.8508923	29.0091077
18	-3.125	65.433526	-68.558526
19	1.810345	7.4870912	-5.6767462
20	16.40719	127.4526	-111.04541
21	-67.4038	-64.824121	-2.579679
22	5	48.186528	-43.186528
23	13.29213	22.217608	-8.925478
24	23.80952	-23.963134	47.772654
25	22.80886	-34.848029	57.656889
26	-52.7	-18.215159	-34.484841
27	0	9.0555556	-9.0555556
28	15.46512	96.821117	-81.355997
29	50.31818	-19.154229	69.472409
30	78.53352	90	-11.46648
31	75	-12.809316	87.809316
32	0	7.1964018	-7.1964018
33	96.46341	-85.281385	181.744795
34	20	76.10601	-56.10601
35	-70.9667	91.358025	-162.324725
36	-34.1667	-65.331492	31.164792
37	-33.3333	0	-33.3333
38	0	62.19811	-62.19811
39	0	-1.8691589	1.8691589
40	140.7443	106.07046	34.67384
41	0	98.726115	-98.726115
42	-27.8235	-96.105263	68.281763
43	-51.5833	312.71186	-364.29516
44	0	-21.541011	21.541011
45	-14.375	337.14286	-351.51786
46	-78.1021	14.210526	-92.312626
47	0	-22.124105	22.124105
48	75.38462	-10.62069	86.00531
49	152.6905	5.406472	147.284028
50	-41.8147	-26.763729	-15.050971

Table 1.1 is the analysis of Table 1. Gain/loss % was calculated for the respective companies using the following formula

$$\text{Gain/loss \%} = ((X - x) / x) * 100$$

Where,

X=price of stock a year later after IPO listing

x=price of stock on the date of listing of IPO issued company

Δ gain/loss% is the difference of gain/loss % of IPO issued company and Gain/loss % of its competitors

$$\sum \Delta \text{ gain/loss\%} = -728.2148525$$

$$\text{Average of } \Delta \text{ gain/loss\%} = -14.56429705$$

The average difference in Gain/loss percentage is -14.56429705, which shows that on an average the stock performance of IPO companies is negative when compared to the already existing stocks of their competitors. We compared the stocks which were then newly entered into the stock market with already existing stocks. This comparison may not be legible but we tried to analyze their performance with their competitors. However, negative performance around 14% is not a bad sign for IPOs as they were newly traded in the market.

The factors mentioned in the earlier part of the study concluded that general investor would opt for the existed stocks rather than IPOs and newly issued stocks. Such lack of interest towards the IPOs and newly issued stock can also be a reason for the poor performance of IPOs. Certain stocks showed good performance just within a year from its Initial issue, which is indeed a good sign.

CONCLUSION:

With this study through random selection of IPOs and their competitors, it is concluded that IPOs and newly issued stocks are underperforming when compared to the already existing stocks in the market. This study was done with a selection of stocks which were issued in 2 years period of time and calculating the performance for 1 year from its issue. Long term performance of the stocks was not analyzed in this study. This would give scope for future study with a large number of samples and for a longer period of time.

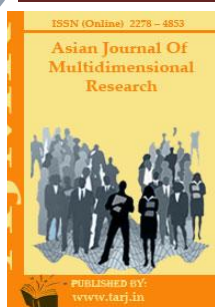
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FINANCIAL MODELS FOR PUBLIC PRIVATE PARTNERSHIP PROJECTS

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ABSTRACT

Public-private partnership (PPP) project's arrangement involves many participants with complex transactions and diverse interests at 5 different project stages. Especially in the project financing perspective, this arrangement creates the entire project evaluation process prone to take an extended period before reaching financial closure. The importance of utilizing financial model as a tool for project evaluation and negotiation is highlighted in this study. 26 input assumptions and 16 output variables have been identified through the comparative study of three PPP financial models, and their significances were verified based on pilot studies in India and expert opinion solicited through a structured questionnaire survey. SPSS program was used to evaluate the survey responses. The best practice PPP financial model was identified quantitatively by the agreement of four groups of stakeholders (i.e. sponsors, authorities, lenders, and consultants) upon the most preferred financial input and output indicators.

KEYWORDS: *Public-Private Partnership; Stakeholders; Financial Model.*

INTRODUCTION

Public-private partnership (PPP) project's arrangement involves many participants with complex transactions and diverse interests at 5 different project stages. It is critical that the project evaluation and negotiations between the public sector authority and the other stakeholders to be carried out in a timely manner. In PPP projects, sponsor(s) generally organize a special purpose vehicle (SPV) or a concessionaire company to deal with contractor, lenders, investors, insurance providers, and other parties especially government authority. Typically, a successful PPP project has mutual agreement and balance of risk sharing between government authority and sponsor(s) prior to financial close.

Therefore, financial models are not only used as tools to win bids but also to assist in the risk sharing negotiation between government authority and sponsor(s). This paper begins with an introduction of the financial model and continues to explore the best practice of the financial model. The stakeholders who utilize financial models in projects and their preference for financial indicators of PPP financial models are then presented. This paper highlights and discusses the most important ones.

Financial Model

The financial decision-making model (also known as ‘financial model’) is a tool for evaluating a new project and facilitating negotiations among lenders, sponsor(s) and government authority. In PPP projects, sponsor(s) generally organize a special purpose vehicle (SPV) or a concessionaire company to deal with lenders, investors, insurance providers, contractor and other parties especially government authority. Generally, a successful PPP project has mutual agreement and balance of risk sharing between government authority and sponsor(s) prior to financial close.

The sponsor(s) should have developed fairly sophisticated and accurate models that portray the economic and financial feasibility of a project under a variety of scenarios and assumptions. For the economic feasibility, the best perspective is viewed from the host government that seeks ‘value for money’ in relation to government expenditure. While for the financial feasibility, the developers will focus on the level of projected distributions, their pace and timing, and the acceptability of the project’s resulting internal rate of return (IRR). However, the lenders are concerned more on: (a) Projected revenues, operating expenses, Cash Available for Debt Service (CADS) and distributions are consistent with project agreements; (b) Realistic estimates of future project revenues are sufficient to cover operating expenses and repay project debt with an acceptable margin of safety.

A consultant firm can be appointed as a financial advisor by both or either, the government authority and/or a Company for developing and utilizing financial models. In developing a financial model, a financial advisor depends on other parties to specify all relevant data needed for the model. Since the core aim of financial modeling is to forecast the performance of a project under uncertainty, economic and financial assumptions are made to predict the project performance. The government authority might provide policy initiatives data such as fiscal incentives scheme, retained responsibilities for the delivery of core services, governmental loan guarantee, royalty, tariff cap, etc. The key issues that need to be concerned by three major parties in the economic feasibility of the project are described in Table 1.

TABLE 1. KEY ISSUES IN THE PROJECT ECONOMIC FEASIBILITY

Major participants	Key issues	Remarks
Public sector	Financing costs	The balance between Return on Equity (ROE) & shorter debt tenor may result in a higher tariff for the users.
	Development costs	Legal fees, development fees and costs of conducting due diligence.
	Insurance	Costly insurance policies to mitigate construction, operation, and certain specialized risks.

	Taxes	In many countries, the public sector does not pay taxes or pays at a lower rate than the private sector does.
	Construction costs	The public sector rarely uses turnkey construction contracts in some cases and specifications.
	Operating & Management (O&M)	The private sector relies on very strict O&M practices.
Sponsor(s) and	Tariff or tolls of the infrastructure facility	Tariffs should be reviewed as reasonable over the longer term by the consumer serviced by the facility, given the foreseeable effects of future deregulation, sector reorganization, competition, new technology and other similar factors
Lenders		

The Company supplies the initial cost of the project and its management cost. The Engineering, Procurement, and Construction (EPC) Contractor gives construction cost and also Life Cycle Cost (LCC) on a monthly basis. Operation and maintenance costs data is provided by the operator company or facilities management contractor. The lenders will provide financial information related to project financing. These inputs are adjusted in coordination and negotiation with the parties who provide the data. The financial advisor assembles all project costs estimation and feeds them into model together with adjustments to the forecasted traffic volume and variable rates to correspond with the target. Therefore, financial models are not only used as tools to win bids but also to assist in the risk sharing negotiation between government authority and sponsor(s).

The complexity of project financing transactions and the diversity of stakeholders' interests are the major reasons that make financial models hard to understand and error-prone. Hence, it is essential to learn the best practice of PPP financial models and audit the model for error possibilities. In the context of the general financial model, Panko stated that 88% of the 113 financial model spreadsheet audited since 1995 contains errors due to formula inconsistency.

There are two methods of developing a financial model such as bottom-up and top-down approaches. Siersted argued that input identification of the financial model can help to find out where the variables can change the calculation process. The input identification can be done by mapping those variables and putting them into specific areas so that most people can figure them out easily. This identification is basic for formula consistency. Furthermore, transparency of the calculation formula can help the auditor and lender or other parties to keep the calculation flow and links on the right track. The majority of financial modelers adopt this strategy as a bottom-up approach, whereby the input identification of the raw data along with basic calculations is a priority. Meanwhile, Swan suggested that a good financial model is started by designing the output first, and then identifying the output rather than input. This approach is called a top-down approach. The purpose or objective of the financial model first is initially identified, followed by a consideration of the usage of the financial model. Without a clear plan or set of objectives, it is often quite complicated for the stakeholders to understand the model. In the absence of the model builder, it is difficult to have full confidence that the model is really doing what it is supposed to do, and because the users or sponsors have not been involved in the development process, the results themselves may be unsatisfactory.

In order to learn how to develop a comprehensive financial model, it is important to understand the use of financial model at different stages and to know who the parties (stakeholders) involved in using financial model are. There are five stages when the model is used with different purposes; they are pre-proposal stage, contract negotiation stage, finance-raising stage, construction stage, and operation stage. Table 2 shows the use of a financial model with the stakeholders in PPP Projects.

The stakeholders mostly concern about the ability of the project to generate enough cash flow over the concession period, which is to attract or to comfort the investors towards their capital investment. Meanwhile, the PPP scheme projects, which are believed to deliver better value for money, have been criticized by many as the highest level of political patronage or corporate political power. Therefore, the reconciliation of their expectations is anticipated to control the achievement of value for money in PPP projects by utilizing PPP financial models. Since the reconciliation process needs identification of stakeholders' preferences in utilizing financial variables of PPP financial model, the financial variables are described in the next section.

Chang and Chen stated that a complete financial model helps the government authority map out the best scheme for the best of the public while developing policies and negotiating with the sponsor(s). The core aim of the financial model contains economic and financial assumptions to predict project performance. Typically, a financial model is arranged in a spread sheet with different worksheets. The architecture of typical financial modeling of a project is illustrated in Fig. 1, showing the standard parts (or worksheets) of a financial model. The standard worksheets comprise three categories such as (1) Input Worksheet, (2) Calculation Worksheet, and (3) Output Worksheet.

Input worksheets. These worksheets generally comprise various assumptions (e.g. project timelines, economic assumptions, technical data, capital cost, loan commitment, tenor, grace, loan type, interest rate and fees, repayment structure, target of equity, ROE, tax information, working capital and reserves, etc.), which are derived from the project documents or from other relevant sources. These worksheets are designed to allow users to be able to change the numbers used in the model, but not the formulas. Furthermore, Swan suggested that the input worksheet should be made up of raw numbers instead of calculation. However, a link formula in the inputs sheet is not considered as calculation.

TABLE 2. STAKEHOLDERS WHO ARE UTILIZING FINANCIAL MODELS IN PPP PROJECTS [23,11,16]

Stakeholder	Description	Stage
Authority	Evaluate the estimated cost of two procurements either PPP or public sector	Pre-proposal stage
	the comparator (PSC).	
	Negotiate the risk sharing mechanism with the bidders and evaluate the competitive bidders' proposal.	Bidding and contract negotiation stage
Sponsor	Evaluate a new tariff	Operation stage
	Facilitate the submission of a proposal	Pre-proposal stage
	Negotiate the risk sharing mechanism and capital structure of the project with another potential sponsor (s), lenders and the	Bidding and contract negotiation stage

	government authorities.	
	Monitor and track the performance of the project.	Construction stage and operation stage.
	Negotiate a new tariff with the government authority	Operation stage
Lender	Modify the initial model to lender base case financial model in order to test the project's financial viability	Finance-raising stage
	Maintain the financial model and monitor the project costs	Construction stage.
	Assess the impact of any annual operations budget submitted by the project	Operation stage
	vehicle to lenders	

Consultant Develop and audit the financial models. Assist the sponsor, the lender and the government authority in evaluating the project. Proposal stage, contract negotiation stage, finance-raising stage, construction, and operation stage.

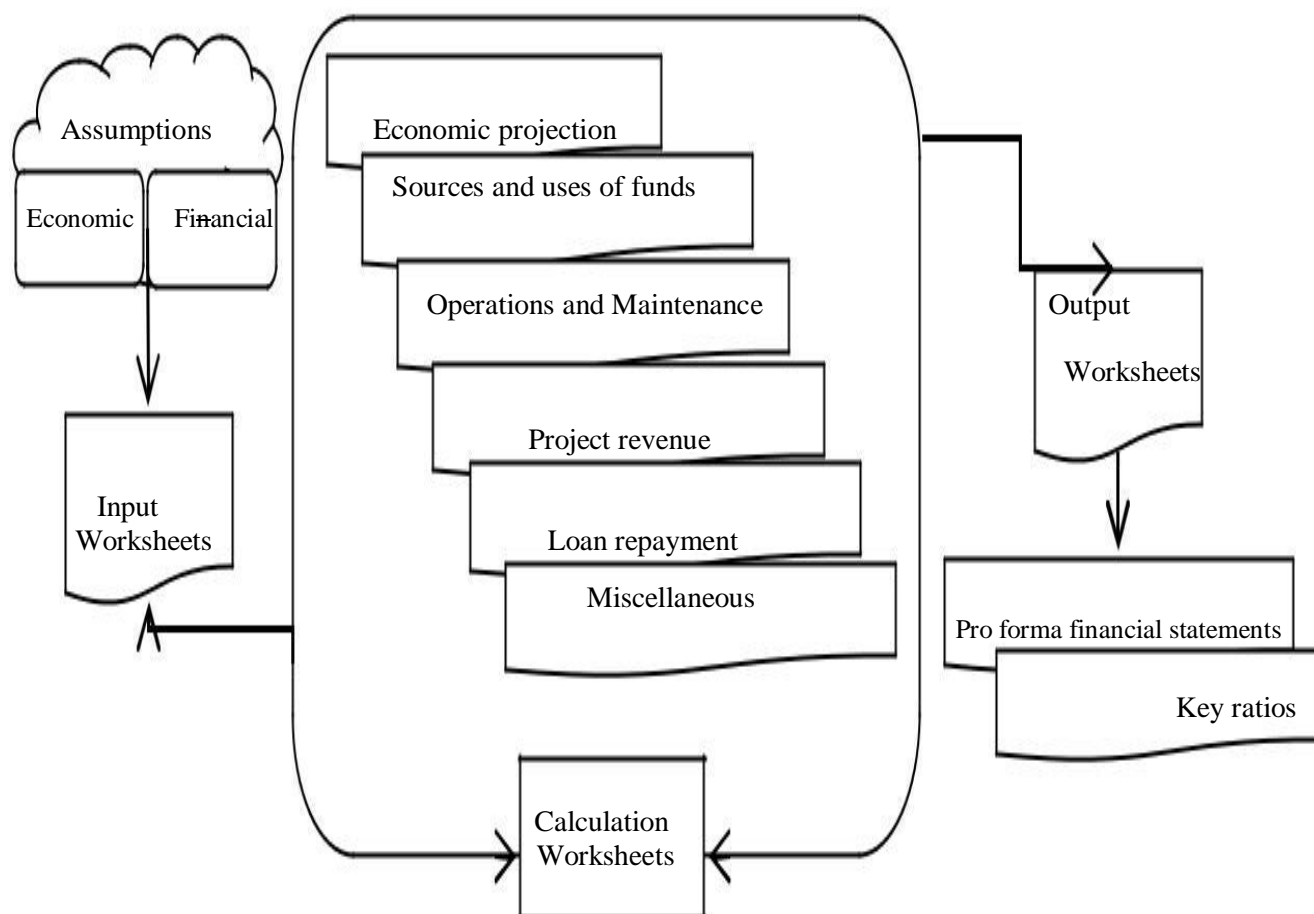


Fig. 1. The architecture of a Financial Model
Source: Modified from Khan and Parra (2003)

Calculation worksheets, as the most important part of a financial model, contain various calculations such as economic projections, sources, and uses of funds, operations and maintenance, project revenue, loan repayment, and miscellaneous calculations. However, these calculations are proven to be error-prone. Swan addressed that calculations on multiple sheets increase the risk of error because it can be difficult to form a mental map of the relationships between various elements on different sheets. In order to reduce the error and to ease the formula audit, all the calculations should be placed on a single sheet.

Output worksheets. an overall summary is shown from this worksheet to help the reader visualize the financial viability of the project, which includes pro forma financial statements (e.g. income statement, balance sheet and cash flow statement) and key ratios such debt service coverage ratio (DSCR), loan life cover ratio (LLCR), net present value (NPV), interest rate of return (IRR) and return on equity (ROE). In addition, three types of financial model outputs such as revenues, net profit, and IRR will be enough to find the most suitable strategy for setting unit prices and adjusting them periodically.

RESEARCH METHODOLOGY

The description of the PPP financial model and its financial variables are addressed in the foregoing sections. Each financial variable has been reviewed thoroughly from the relevant published literature including textbooks, research reports, conference papers, journal articles, and internet materials. It is worth noting that the selected financial variables were derived from the main role of each stakeholder as illustrated in Table 2. Twenty-six input assumptions and 16 output variables have been identified through comparison study of three PPP financial models, and their relative significances were verified based on pilot studies in India and the UK and expert opinion solicited worldwide through a structured questionnaire survey.

The agreement on the important variables are measured by adopting a Likert type scale of 1–6 (with 1 being “extremely disagree,” 2 being “very disagree,” 3 being “disagree,” 4 being “agree,” 5 being “very agree,” and 6 being “extremely agree”). Each financial variable is considered “important” if it is at a significance level greater than 3.5 i.e. it is higher than neutral value. SPSS program was used to evaluate the survey responses with systematic statistical analyses. The best practice PPP financial model was identified quantitatively by the agreement of four groups of stakeholders (i.e. sponsors, authorities, lenders, and consultants) upon the most preferred financial input and output indicators.

Comparison procedures such as T-Test, One-Way Analysis on Variance (ANOVA) test and Post Hoc test are commonly used to determine whether the mean significance of each variable are equal. Post Hoc test was selected to find the significant variance of the p-value of each financial indicator among stakeholders who utilize PPP financial models. ANOVA test has its limitation to identify which group differs from others because it analyses only the factors that have a significant variance between and within groups. While T-test only indicates a single pairwise mean comparison, Post Hoc test provides multiple pairwise comparisons. An assumption of group homogeneity is needed in Post Hoc test. When group sizes are found to be unequal, Games-Howell and Dunnett’s T3 should be selected for further variance analysis. The hypotheses for comparing the importance upon expectations and a financial indicator of two of the four independent stakeholders are described below:

Hypothesis: Stakeholders’ preference on the indicator of PPP financial model is equal.

H₀: The mean significance of each indicator is equal between two stakeholder groups and within stakeholder groups.

H₁: The mean significance of each indicator is different between the two stakeholder groups and within stakeholder groups.

Results and Analysis

In total, 400 questionnaires were distributed. Seventy-three respondents from 29 states completed the whole questionnaire giving an 18.25% rate of response. Since the topic is related to PPP financial models, some potential respondents refused to participate in this research due to confidentiality issues. Nevertheless, this response rate is still acceptable for social science research. Many respondents (29 consultant companies, 12 government authorities, 12 financing institutions, 9 sponsor companies, and 11 anonymous) were from organizations that had rich experience, knowledge, and expertise in PPPs. They were also involved in using financial models for the purpose of project evaluation, contract negotiation, appraisal reporting, tariff adjustment, and project performance monitoring, as intended by this research. The most preferred financial indicators were selected according to their rankings without considering the project stages, as shown in Table 3. However, in order to gain more interesting findings, the discussion will be limited to the disagreement between stakeholders, which is indicated by the significant mean-variance from statistical analysis.

4.1. Systematic statistical analyses on stakeholder disagreement

In order to identify how stakeholders differ from each other, Post Hoc tests are used to obtain the stakeholders' preference on input assumptions and output indicators as illustrated respectively in Table 4 and Table 5. Since the significance levels of all financial indicators are higher than neutral value (3.5), these variables are considered "important".

TABLE 3. COMPARISON OF THE TOP RANK PREFERRED INPUT ASSUMPTIONS

Stakeholder	Input Assumptions		Financial Model Outputs	
	Top 5	Mean Rank	Top Rank	Mean
Stakeholder	Project costs	5 4.888	1 IRR	5
	Volume / demand	9 4.777	2 Net cash flow	5
	Revenue forecast	8 4.777	3 EBITDA	4.7778
	Operating cost	8 4.777	3 CADs	4.6667
	Loan repayment schedule	8 4.777	3 LLCr	4.6667
Sponsor(s)				

	Financing cost	4.777 8	3	Interest covering ratio	4.6667
				Repayment period	4.6667
				Revenue	4.6667
Authority		5.666			
	Volume / demand	7	1	IRR	5.7
	Operating cost	5.6	2	NPV	5.7
	Maintenance cost	5.6	2	Revenue	5.5
	Project timelines	5.6	2	Operating cost	5.4
	Revenue forecast	5.5	3	DSCR	5.3
Lender		5.416			
	Volume / demand	7	1	IRR	5.5
		5.333			
	Project costs	3	2	DSCR	5.5
		5.333			
	Revenue forecast	3	2	CADS	5.4167
		5.333			
Lender	Operating cost	3	2	Net cash flow	5.25
		5.333			
	Interest and fees	3	2	LLCR	5.25
				Revenue	5.25
				ROE	5.25
Consultant		5.222			
	Project costs	2	1	DSCR	5.3077
		5.148			
	Volume / demand	1	2	CADS	5.0769
		5.148			
	Revenue forecast	1	2	LLCR	5
		5.111			
Consultant	Capital structure	1	3	Net cash flow	4.9462
	Operating cost	5	4	IRR	4.7692
	Loan repayment schedule	5	4		

TABLE 4. POST HOC TESTS OF STAKEHOLDERS' PREFERENCE ON INPUT ASSUMPTIONS

Dependent Variable	Mean Difference			
	(I) Stakeholder	(J) Stakeholder	Std. Error	Sig. (I-J)
Input - Initial working capital (Dunnett T3)	anonymous		-.33333	.36593
	Lender		-.33333	.42351
	Consultant			
	Developer		.00000	.32577
Input - Target of equity (Dunnett T3)	Authority		-1.06667*	.26773
	anonymous		-.50667	.38303
	Lender		-1.00667*	.30607
	Consultant			
Input - Tax Information (Dunnett T3)	Developer		-.28444	.30699
	Authority		-.94000*	.30007
	anonymous		1.00000	.53541
	Lender		.31667	.33071
Input - Exchange rate parity (Dunnett T3)	Authority			
	Developer		1.06667	.33166
	Consultant		.91852*	.23100
	anonymous		-.77778	.46756
Input - Loan commitment (Dunnett T3)	Lender		-.86111	.37241
	Consultant			
	Developer		-.66667	.38180
	Authority		-1.14444*	.32957
Input - Maintenance cost (Dunnett T3)	anonymous		-.05385	.52166
	Lender		-.73718	.28228
	Consultant			
	Developer		.56838	.41548
Input - Exchange rate parity (Dunnett T3)	Authority		-.75385**	.25802
	anonymous		-.53704	.34714
	Lender		-.62037	.29760
	Consultant			
Input - Maintenance cost (Dunnett T3)	Developer		-.03704	.33075
	Authority		-.97037*	.22963

*. The mean difference is significant at the 0.05 level.

**. The mean difference is justified to be significant at the 0.1 level.

DISCUSSION AND CONCLUSION

In order to simplify the disagreement analysis, the following most financial indicators was selected:
(1) Input assumptions (i.e. Project costs, Volume / Demand (traffic), Revenue forecast, Operating

cost, Maintenance cost, Loan repayment schedule, Financing cost, Project timelines, Capital structure, and Interest and fees); and (2) output (i.e. IRR, Net cash flow, EBITDA, CADS, LLCR, Interest covering ratio, Repayment period, Revenue, NPV, Operating cost, ROE, and DSCR).

The hypothesis is proposed to test the agreement among stakeholders on financial indicators (input assumptions and output variables). The results indicate that not all stakeholders have the same preferences on input assumptions and financial model output (H_0 is rejected). The stakeholders that have different preference on input assumptions are:

(1) Consultant Vs Authority (i.e. Initial working capital, Tax Information, Exchange rate parity, Loan commitment, and Maintenance cost); and (2) Lender Vs Consultant (i.e. Target of equity). And the stakeholders that have different preference on financial model output are (1) Consultant Vs Authority (i.e. Internal Rate of Return, Net Present Value, Revenue, Operating Cost, and Principal payback); and (2) Developer Vs Authority (i.e. Net Present Value).

TABLE 5. POST HOC TESTS OF STAKEHOLDERS' PREFERENCE ON FINANCIAL MODEL OUTPUT

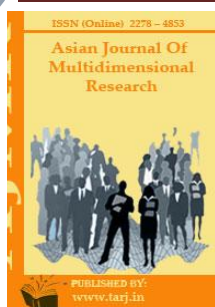
		Mean Difference			
Dependent Variable	(I) Stakeholder (J) Stakeholder	Std. Error	Sig.	(I-J)	
Net operating profit (Games-Howell)	anonymous	-1.05769**	.28464	.066	
	Lender	-.64103	.30291	.259	
	Developer	.08120	.37680	.999	
	Authority	-.90769	.34265	.120	
Internal Rate of Return (IRR) (Dunnett T3)	anonymous	-.73077	.33462	.405	
	Lender	-.73077	.28578	.151	
	Developer	-.23077	.33462	.998	
	Authority	-.93077*	.22797	.003	
Net Present Value (NPV) (Dunnett T3)	anonymous	.70000	.43589	.692	
	Lender	.61667	.32563	.490	
	Developer	1.25556*	.33129	.023	
	Consultant	1.23846*	.20617	.000	

		anonymous	-.42308	.46522	.970
		Lender	-.67308	.33506	.399
Revenue (Dunnett T3)	Consultant				1.00
		Developer	-.08974	.32453	0
		Authority	-.92308*	.27846	.022
<hr/>					
		anonymous	-.93077	.43697	.401
		Lender	-.48077	.45206	.955
Operating Cost (Dunnett T3)	Consultant				1.00
		Developer	-.17521	.37063	0
		Authority	-1.13077*	.34937	.035
<hr/>					
		anonymous	-.83846	.42960	.494
		Lender	-1.03846	.38809	.124
Principal payback (Dunnett T3)	Consultant				
		Developer	-.37179	.35762	.960
		Authority	-1.33846*	.36682	.017

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IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) IN INDIA-OPPORTUNITIES AND CHALLENGES

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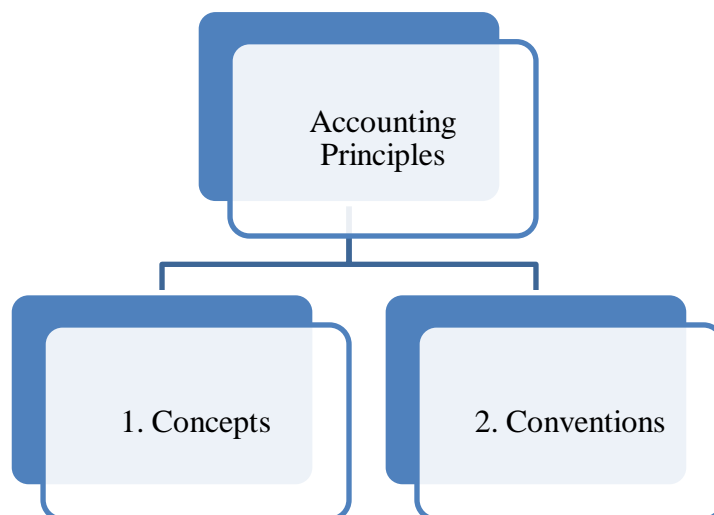
ABSTRACT

The business across the world is making a drastic change and so as the customers, investors and other stake holders. In order to have the essence of such change, the accounting standards across the globe have made a paradigm shift. Such change in accounting paved the way for transparency, accountability, and efficiency of financial markets across the globe. During the last decade, the Accounting Professionals and Accounting Bodies across the world had tried to put a financial reporting system in place which is harmonized, robust and have extensive applicability. International Accounting Standard Board (IASB) which was formerly known as International Accounting Standard Committee (IASC) came out with IFRS which were adopted formally by members of the European Union in 2005. In order to have a common understanding of accounting standard, The Institute of Chartered Accountant of India (ICAI) and International Accounting Standard together made a frame work where financial statements can easily understand by any person across the world.

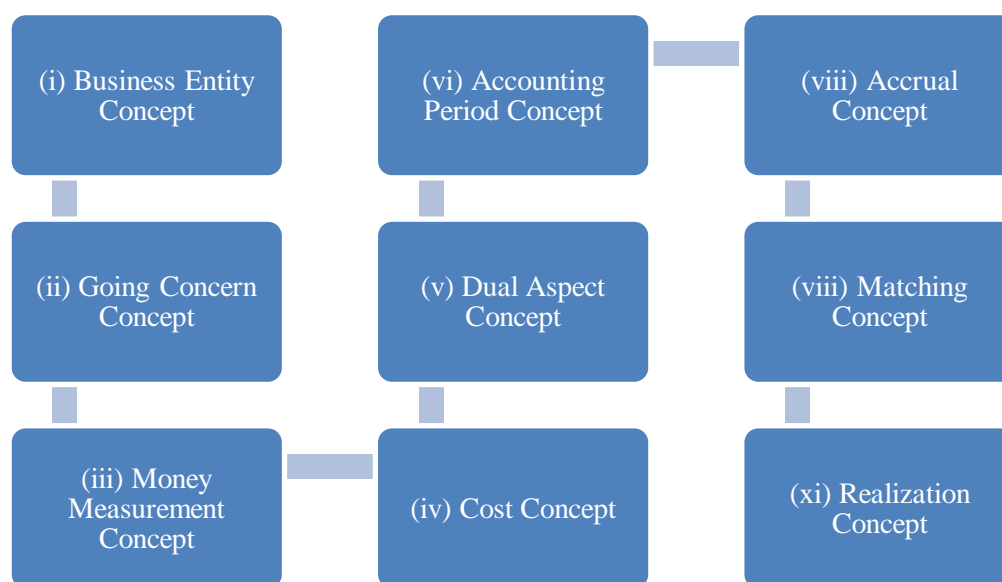
KEYWORDS: Transparency, Professionals, Harmonized

INTRODUCTION

The Indian accounting standards are using Generally Accepted Accounting Principles usually known as GAAP. We know that accounting is the language of business normally a business enterprise communicates to the world. In order to make this language intelligible and commonly understood by all the stake holder of the enterprise, it is necessary to have uniform scientific standards known as "Accounting principles". Therefore, these principles may be defined as the rule of action which the accountants adhere. The accounting standards are also known as accounting postulates. Figure 1 shows the classification of Accounting Principles

Figure 1: Classification of Accounting Principles

(1) Accounting concept: Accounting is the language of business. To make the language convey the same meaning to all people, accountants have agreed on a number of concepts which they try to follow. There is no conclusive list of these concepts but most of the following concepts have fairly general support. The following figure 2 depicts Accounting Concepts

Figure 2: Accounting Concepts

(i). Business Entity Concept: As per this concept, business organizations are treated separate entity which can be distinguished from the “owner” or stakeholders who provide capital to it. This concept helps in keeping the private affair of the owners and stakeholders separate from the business affairs

(ii). Going Concern Concept: As per this concept, it is assumed that the organization will continue for a long period of time, unless and until it has entered into a state of liquidation. The financial statements are prepared at a defined period end to measure the performance of the entity during the period and not on the closure or liquidation of the entity

(iii). Money Measurement Concept: In accounting, all the transactions are recorded in terms of money in other words; events or transactions that cannot be dealt with money are not recorded in the books of accounts. Receipt of income, payment of expenses, purchase, and sale of asset, etc.; are monetary transactions that are to be recorded in the books of accounts. Whereas, the event of machinery breaks down is not recorded as it does not have monetary value. However, the expenditure incurred for the repair of machinery can be measured in monetary value and hence recorded.

(iv). Cost Concept: As per this concept, an asset is ordinarily recorded at the price paid to acquire it, i.e.; at a cost which is the basis for all subsequent accounting for the asset. The assets recorded at cost at the time of purchase may systematically be reduced through depreciation

(v). Dual Aspect Concept: Dual aspect principle is the basis for Double Entry Book-Keeping System. All business transactions recorded in the books of accounts have two aspects: receiving benefit and giving benefit. For example, a business acquires an asset (receiving of benefit) it must pay cash (giving of benefit). At any time $\text{Assets} = \text{Liabilities} + \text{Capital}$; or $\text{Capital} = \text{Assets} - \text{Liabilities}$

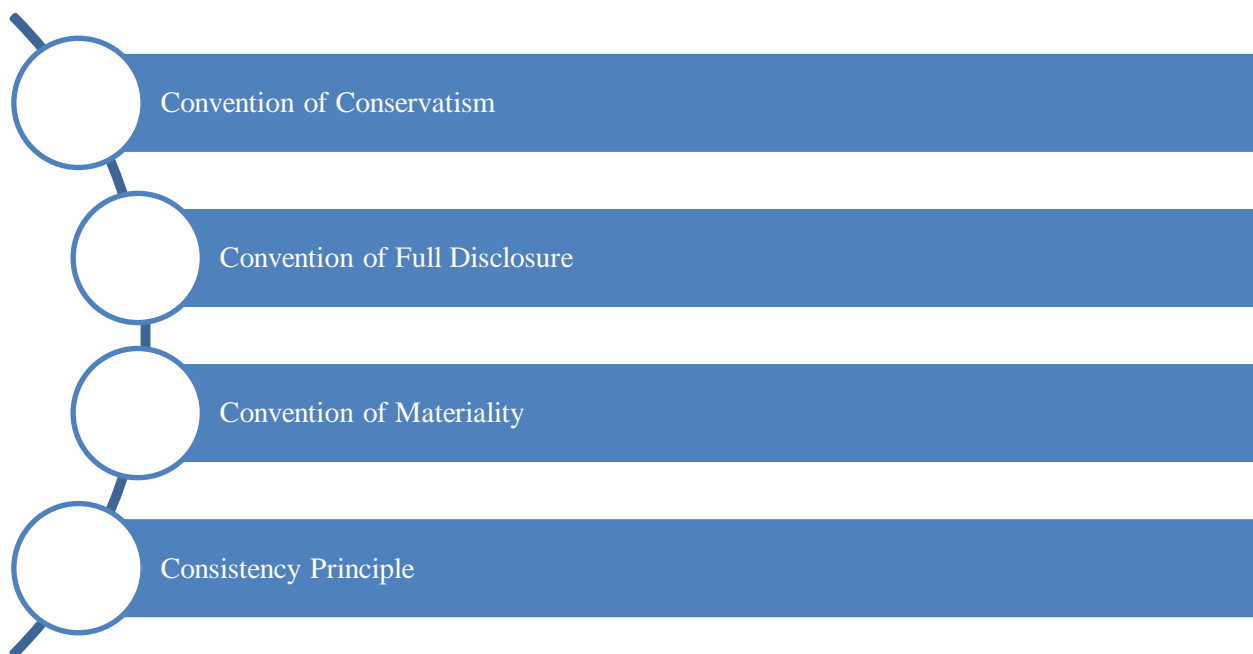
(vi). Accounting Period Concept: It is an interval of time, at the end of which the financial statements are prepared to ascertain the financial performance of the organization. The preparation of financial statements at periodic intervals helps in taking timely action in a corrective manner and developing appropriate strategies. The accounting period is normally considered to be of 12 months and the accounting books are closed at the end of every year either at the end of March or December.

(vii). Accrual Concept: Under the cash system of accounting, the revenues and expenses are recorded only if they are actually received or paid in cash, irrespective of the accounting period to which they belong to. But under accrual concept, the occurrence of claims and obligation in respect of incomes and expenditures; assets and liabilities based on happening of any event passage of time, rendering of services, are recorded even though actual receipts or payments of money may not have taken place. With respect of an accounting period, the outstanding expenses and the prepaid expenses and also the income receivable and the income received in advance are shown separately in the books of accounts under the accrual method

(viii). Matching Concept: Matching the revenues earned during an accounting period with the cost associated with the period to ascertain the result of the business concern is called Matching Concept. It is the basis for finding accurate profit for a period which can be safely distributed to the owners.

(ix). Realization Concept: According to this concept, revenue should be accounted for only when it is actually realized or it has become certain that the revenue will be realized. This signifies that revenue should be recognized only when the services are rendered or the sale is affected. However, in order to recognize revenue, actual receipt of cash is not necessary, but the organization should be legally entitled to receive the amount for the services rendered or the sale affected

(2) Accounting conventions: Conventions denote customs or traditions and these conventions are used as a guide to the preparation of accounting statements. The following are the important accounting conventions which are depicted in figure 3.



- i. **Convention of Conservatism:** A convention of caution or playing safe and is adhered to while preparing the financial statements. The idea of this convention in accounting is to anticipate no profits and provide for all losses. For example, the closing stock will be valued at cost or market price whichever is lower, if the market price is higher than cost, the higher amount is ignored in the accounts and the closing stock will be valued at cost which is lower than the market price.
- ii. **Convention of Full Disclosure:** Apart from legal requirements, the full disclosure of all important information should be made in the financial statements. For example, the basis of valuation of fixed assets, investment and stock should be clearly stated in the Balance Sheet. In other words, accounting statements should be truly and honestly prepared. This convention is so important that the Companies Act makes ample provisions for the disclosure of important information so that significant information may not be left out to be disclosed.
- iii. **Convention of Materiality:** Whether it is necessary to disclose something or not in the financial statements will depend on whether it is material or not. Materiality depends on the amount involved in the transaction. For example, minor expenditure of Rs.5 for the purchase of waste basket may be treated as an expense for the period rather than an asset. Customs also influence materiality, for example, only round figures (to nearest rupee) may be shown in the financial statements to make the figures manageable without affecting the accuracy of the accounting information.
- iv. **Consistency principle.** Accounting rules, practices, and conventions should be continuously observed and applied i.e. they should not change from one year to another. The results of different years will be comparable only when accounting rules are continuously adhered to from year to year. Moreover, consistency serves to eliminate personal bias. This convention does not completely prohibit changes. But if change becomes desirable, the change and its effect should be clearly stated in the financial statement.

What are the Accounting Standards (AS)?

Accounting Standards (AS) are basic policy documents. Their main aim is to ensure transparency, reliability, consistency, and comparability of the financial statements. They do so by standardizing

accounting policies and principles of a nation/economy. The Institute of Chartered Accountant of India (ICAI) is the highest accounting body in the country and the Accounting Standard Board (ASB) is a committee of the ICAI. But to ensure maximum transparency and independence, the ASB is a completely independent body. The ASB formulates all the accounting standards for the Indian companies. This process is fully transparent, very thorough and completely independent of any government involvement. So the transactions of all companies will be recorded in a similar manner if they follow these accounting standards.

¹Members of the Accounting Standard Board

Apart from elected members of the council of the ICAI nominated to Accounting Standard Board (ASB), the following are represented on the ASB.

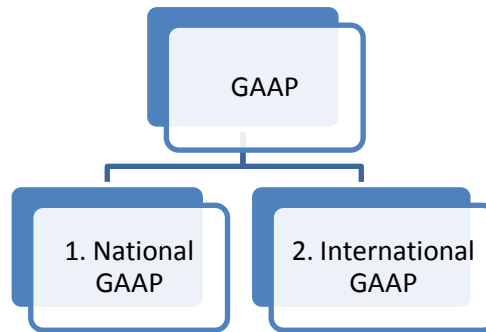
- 1) A representative from the Department of Company Affairs
- 2) A representative from Comptroller and Auditor General
- 3) A representative from Central Board of Direct Taxes
- 4) A representative from the Institute of Cost Accountants of India
- 5) A representative from the Institute of Company Secretaries of India
- 6) A representative from Associated Chambers of Commerce and Industry (ASSOCHAM), Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI)
- 7) Representatives from RBI and SEBI
- 8) Eminent professional co-opted by ICAI (they may be in practice or in industry, government, education, etc.)

Objective of ASB

- 1) To conceive of and suggest areas in which AS need to be developed
- 2) To formulate /make AS with a view to assisting the council of ICAI in evolving and establishing As in India
- 3) To examine how far IAS/IFRS can be adopted or converged while formulating the AS and to adapt/modify the same
- 4) To review, at regular intervals, the AS from the point of view of acceptance or changed conditions, and if necessary, revise the same
- 5) To provide, time to time, interpretation and guidance on AS
- 6) To carry out such functions relating to AS

Introduction to Indian Accounting Standards (Ind As)

It should be noted that GAAP differs from country to country because of the legislative requirement of each country, local accounting practices, customs, usage and business environment peculiar to each country. Each country has set up its own professional accounting body/regulatory authority to frame, implement and regulate the application of the GAAP in the country. For example, in the USA the Financial Accounting Board (FASB) set up in 1973 make major pronouncement called Statement of Financial Accounting Standards (SFAS). The GAAP can be classified into two which is presented by figure 4 below.

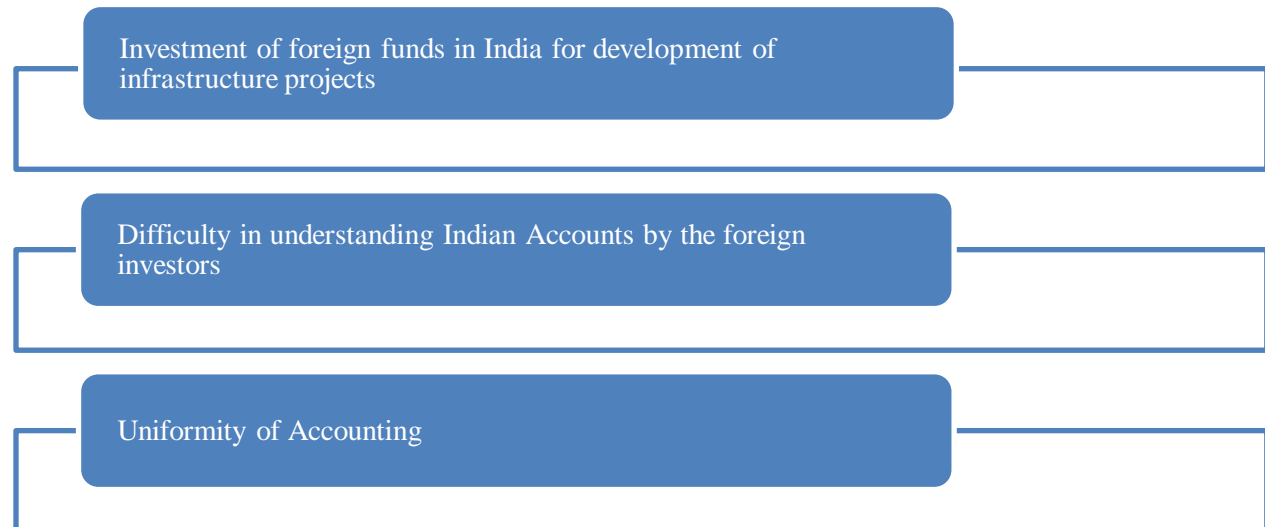
Figure 4. Classification of GAAP

1. National GAAP: This is country's accounting standards which have been designed based upon the country's legislature, business environment, etc. Accounting version of India's new version is changed from Accounting Standards (AS) to Indian Accounting Standards (Ind – AS)

2. International GAAP: This GAAP is followed by USA, UK, etc. The International GAAP is designed as per the standards prescribed by their own countries based upon their country's legislature, business environment, etc.

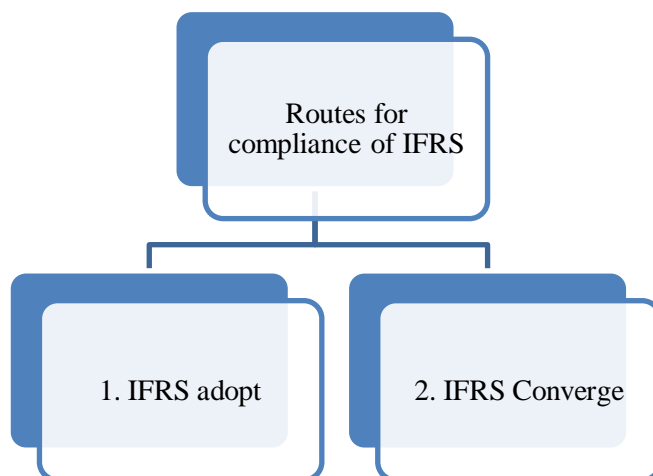
Why Companies should follow IFRS?

The following figure 5 shows the why companies follow IFRS

Figure 5: Why companies follow IFRS

IFRS compliance Routes:

The following figure 6 shows the IFRS compliance routes

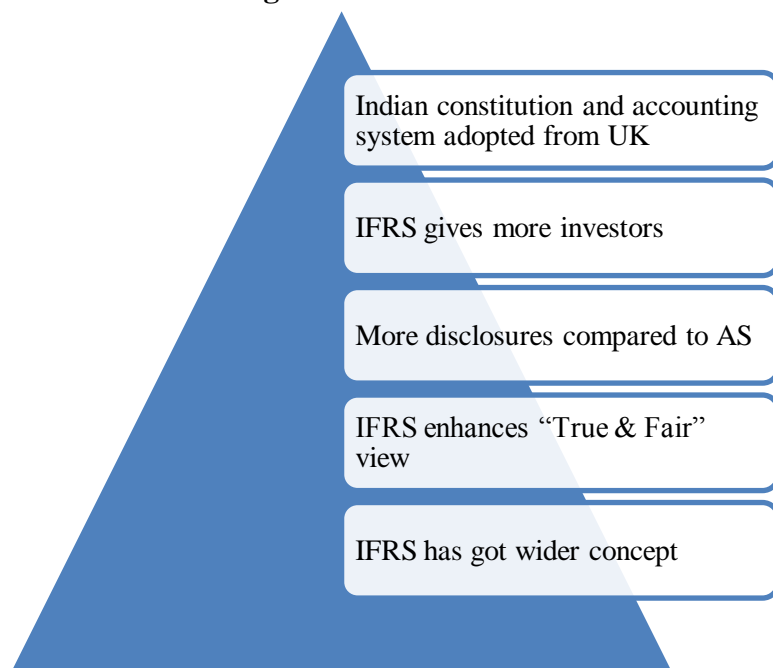
Figure 6: IFRS compliance routes

1. IFRS Adopted: It means the company chooses to follow as it is i.e. countries adopt IFRS prepared by the International Accounting Standard Board (IASB). For example, Bangladesh and some of the countries Middle East countries have adopted IFRS.

2. IFRS Convergence: This process is converting or updating the standards of own country with IFRS. Example India, USA, and other countries have updated their accounting standards. However, accounting standards of India after convergence is called as “Ind-AS”

Purpose of Indian Accounting Standards in line with IFRS

The following figure 7 shows the purpose of Ind-AS in line with IFRS

Figure 7: Ind-AS in line with IFRS

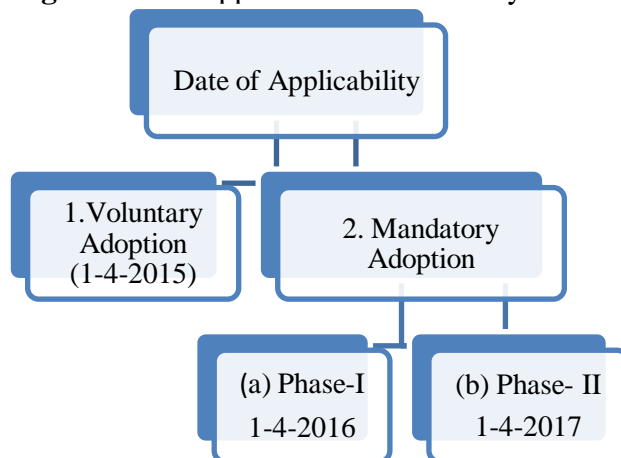
Notification of Government of India for applicability

On 16-2-2015, Ministry of Company Affairs (MCA) notified Companies (Indian Accounting Standards) Rule, 2015. Indian Accounting Standard is henceforth known as Ind-AS. Notified 39 Ind-AS

Application of certain class of companies

The following figure 8 shows the application of Ind-AS by the companies

Figure 8: The application of Ind-AS by the companies



1. Voluntary Adoption 1-4-2015:

From Financial Year 2015-16 onwards companies have voluntarily adopted Ind-AS W.E.F. 1-4-2015. Once the company opts for Ind-AS then it cannot opt out. It means the company has to follow Ind-AS in all subsequent years. The company should also apply Ind-AS for the previous year also. It means Ind-AS shall be applied to comparative figures FY 2014-15 if Ind-AS is applied 2015-16. Once company opts Ind-AS from 1-4-2015 its Holding company, Subsidiary Company, Associate Company, and Joint Venture will have to mandatory follow Ind-AS

2. Mandatory Adoption (Phase-I):

From 1-4-2016 and FY 2016-17 onwards all companies whether listed (in Indian or outside India) having a Net worth of Rs.500 cores or more should follow Ind-AS. The calculation of Net worth is shown in the table: 1below.

TABLE 1: CALCULATION OF NET WORTH

Calculation of Net worth	
Particulars	Rs
Equity Share Capital	XXX
Add: Pref.Share Capital	XXX
Add: Reserve Capital	XXX
Net Worth	XXX

Once the company opts for Ind-AS then it cannot opt out. It means once the company has to follow Ind-AS in all subsequent years. The company should also apply Ind-AS for the previous year also. It means Ind-AS shall be applied to comparative figures FY 2015-16 if Ind-AS is applied 2016-17. Once company opts Ind-AS from 1-4-2016 its Holding company, Subsidiary Company, Associate Company, and Joint Venture will have to mandatory follow Ind-AS

Mandatory Adoption (Phase-II):

From 1-4-2017 onwards all listed companies having <Rs.500 corers Net worth can adopt Ind-AS. Unlisted companies having net worth <, Rs.250 corers can adopt Ind-AS

Challenges in convergence with IFRS

Some of the challenges for implementation of IFRS are discussed below:

1. The difference between GAAP and IFRS:

There will be a drastic change in the financial statement while adopting IFRS. The gap between GAAP and IFRS is very wide indeed. It will be a great challenge to bring awareness of IFRS and its impact on the users of financial statements

2. Training and Education:

There are no proper training facilities or academic courses on IFRS to train or educate the accountants. It will take more time in India to impart education and training of IFRS application.

3. Legal Consideration:

In India, there are various regulatory bodies which will govern the reporting and their provisions override other laws. However, IFRS does not recognize such overriding laws. The regulatory authority will pose a challenge unless such provisions are incorporated by the law makers

4. Taxation Effect:

IFRS convergence will impact most of the items in the financial statements and therefore the tax liabilities will also undergo some changes. Thus the taxation laws should also be taken into consideration while giving the treatment for tax liabilities arising on convergence from Indian GAAP to IFRS.

5. Fair value Measurement:

IFRS uses fair value as a measurement base for valuing most of the items of financial statements. The use of fair value accounting can bring a lot of instability and prejudice to the financial statements. It also involves a lot of hard work in arriving at the fair value and valuation experts have to be used.

6. Valuation under LIFO and FIFO:

Under IFRS inventory system, LIFO is not allowed. It uses only the FIFO system. It will be difficult for the accountants to change the method of valuation from LIFO to FIFO

7. More Disclosures:

The convergence with IFRS needs more disclosures. Such disclosures are made to 'Note to Account'. Note to Account is like explanatory statement where the company has to disclose various annexures and statements in order to make the financial statement 'true & fair'.

Opportunities for convergence with IFRS

Some of the opportunities of IFRS is discussed below.

1. The Investors:

The convergence of Indian Accounting Standards with IFRS makes the financial statement more reliable, relevant and comparable across different legal and economic frame works. While such frame works will facilitate the investors investing in India. The investors will easily understand the financial statements because it is similar to the financial statements of various countries across the world. This will increase the confidence of investors across the world to invest in Indian companies.

2. The Industry:

The other important aspect is the industry which in the event of convergence with IFRS will be benefited because of some basic reasons given below.

- Enhances the confidence in the minds of investors
- Preparing financial statement will become easier and simpler
- Reduce the cost of preparations of financial statement by using a different set of accounting standards

3. Accounting Professionals:

However, there will be initial problems in convergence with IFRS, but of late it will benefit accounting professionals in providing their professional services to the companies.

4. The Economy:

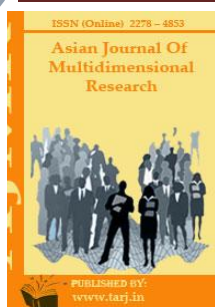
The convergence of Indian Accounting Standards with IFRS will give a lot of impetus to the economy. More and more international investors will be interested in investing in our economy because the convergence with IFRS helps them to understand the financial statements very easily. They also understand the importance of financial statement which is prepared with a true and fair view. Moreover, the international comparability will also benefit the industrial and capital markets in India which lead to better economy across the country.

CONCLUSION:

Conversion of IFRS into Ind-AS has got advantages and disadvantages. The advantages are that there will be a true and fair view of accounts, foreign investors understand the accounting language prepared through Ind –AS in convergence with IFRS. On the flip side, there are more disclosures are required to be presented in the financial statement in the form of Note to Account (explanatory statement). It becomes cumbersome for the accountant or professionals to incorporate a wide range of disclosures. When GST was introduced into the system there was a lot of hue and cry from the companies and slowly the companies started adopted the GST over a period of time. Likewise, there is some speculation in India for convergence of IFRS into Ind-AS, it will take some time for the companies to get into the system slowly.

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ONLINE INFORMATION DATA BASE ACCESS AND RETRIEVAL (OIDAR)

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ABSTRACT

OIDAR Services or Online Information and Database Access or Retrieval (OIDAR) Services are services whose delivery is made through information technology over the internet or electronic network and the supply is automated with minimal human involvement. With the massive growth in cloud technology and SAAS (software as a service) based products in India over the last decade, more and more services are being introduced by Indian and Non-Resident Taxable Persons, which would fall under the categorization of OIDAR services. In this article, we look at OIDAR services and its impact under GST (goods services and tax) OIDAR is a category of services provided through the medium of the internet and received by the recipient online without having any physical interface with the supplier of such services. E.g. downloading of an e-book online for payment would amount to receipt of OIDAR services by the consumer downloading the e-book and making payment. In some cases, the recipients of OIDAR services in India are made liable for payment of GST on a reverse charge basis.

KEYWORDS: Cloud Technology, SAAS, Non-Resident Taxable Persons, E-Book, Reverse Charge Basis, Electronic Receipt

INTRODUCTION

(What are OIDAR Services?)

OIDAR Services or Online Information and Database Access or Retrieval (OIDAR) Services are services whose delivery is made through information technology over the internet or electronic network and the supply is automated with minimal human interposition. OIDAR services providers are required to obtain GST registration compulsorily. Also, in some cases, recipients of OIDAR services in India are made responsible for payment of GST on a reverse charge basis. Hence, it's important for all suppliers or recipients of OIDAR services to be aware of GST regulations related to OIDAR services.

The following are examples that are classified as OIDAR.

- Online advertising service providers
- Cloud service providers
- Providing e-book, movie, music, software and other intangibles via telecommunication networks or the internet
- Allocating data or information, retrievable to any person, in electronic form through a computer network
- Digital data storage services
- Online gaming services
- Online supplies of digital content like movies, television shows, music, etc...

Why OIDAR needs treatment to differ from other services?

The nature of OIDAR services is such that it can be provided online from a remote location outside the taxable domain. A similar service provided by an INDIAN Service Provider, from within the taxable domain, to recipients in India would be taxable. Further, such services received by a registered organization in India would also be taxable under reverse charge. The overseas providers of such services would have an unfair tax advantage should the services provided by them be left out of the tax net. At the same time, since the service provider is located or situated overseas and may not be having a presence in India, the acceptance verification mechanism become hard. It is in such circumstances, that the government has plans to come out with a simplified scheme of registration for such service providers located outside India or overseas.

How would OIDAR services be taxable under GST?

For any supply to be taxable under GST, the place of supply in respect of the subject supply should be in India. In case, both the supplier or provider of OIDAR Service and the recipient of such service is in India, the place of supply would be the location of the recipient of service i.e. it would be conducted by the default place of supply rules. What happens in cases where the supplier of service is located outside India and the recipient is in India. In such cases also the place of supply would be India and the transaction would be controllable to tax.

Who will be responsible for paying GST?

In cases where the supplier of such service is located outside India and the recipient is a business establishment registered person located in India, the reverse charge mechanism would get activated and the recipient in India who is a registered organization under GST will be culpable to pay GST under the reverse charge and undertake necessary acquiescence. So far so good. Now, what happens if the supplier is located outside India and the recipient in India is an individual customer. In such cases also the place of supply would be India and the transaction are manageable to impose of GST, but the problem would be, how such tax would be collected. It would be impractical to ask the individual in India to register and undertake the necessary acquiescence under GST for a one-off purchase on the internet. For such cases, the IGST Act provides that on the supply of online information and database access or retrieval services by any person located in a non-taxable area and received by a non-taxable online recipient, the supplier of services located in a non-taxable domain shall be the person responsible for paying non-segregated tax on such supply of services. Now if an arbitrator located outside India organized or facilitates the supply of such service to a non-taxable online recipient in India, the arbitrator would be treated as the supplier of the said service, except when the arbitrator satisfies the following conditions.

- The invoice or the bill of customer or receipt issued by such arbitrator taking part in the supply clearly identifies the service in question and its supplier in a non-taxable territory.
- The arbitrator involved in the supply does not authorize the charge to the customer or take part in its charge. This means that the arbitrator neither collects or processes payment in any manner nor is responsible for the payment between the non-taxable online recipient and the supplier of such services.
- The intermediary or arbitrator involved in the supply does not authorize delivery.
- The general terms and conditions of the supply are not set by the intermediary or arbitrator involved in the supply but by the supplier of services.

GST Registration

For OIDAR Service Providers

Any organization providing OIDAR services is required to mandatorily obtain GST registration in India, irrespective of the aggregate turnover criteria as per the service provided. There are various types of persons are required to obtain GST Registration mandatorily and OIDAR service providers are one of them.

So, here it showed the types of persons who are giving all these services:

- Persons making any inter-State taxable supply
- Casual taxable persons
- Persons who are needed to pay tax under reverse charge
- Electronic commerce speculators
- Non-resident taxable persons
- Persons who are required to deduct tax

- Persons who supply goods and/or services on behalf of other registered taxable persons whether as an agent or another person
- Input service distributor (whether separately registered under the Act)
- Persons who are required to collect tax
- Electronic commerce operator
- Every person supplying online information and database retrieval services from a place outside India to a person in INDIA, other than a registered person in GST

Hence, the most OIDAR services providers even outsider INDIA providing services to a resident in INDIA required to mandatorily obtain GST registration by virtue of being classified under one or above mentioned categories.

For OIDAR Service Suppliers – Located in India

OIDAR service providers with a place of business in India can get GST Registration through the normal method by applying as through the GST common portal.

For OIDAR Service Suppliers – Located Outside India

All OIDAR service suppliers supplying services to residents in India and not located in India are also required to follow with GST regulations. Any OIDAR service provider supplying online information and data base access or retrieval services from a place outside India to a non-taxable online recipient is needed to obey GST registration by filing GST REG-10.

The application for GST registration for OIDAR service providers can be submitted electronically with a self-attested copy of the valid passport of the campaigner and tax identification number or unique identification number issued by the foreign Government or PAN. The application for GST registration must be submitted at least 5 days prior to the initiation of business in India. Foreign companies can appoint a legislative or representative in India for obtaining or procuring GST registration, filing GST returns and paying GST payments on behalf of the foreign entity.

GST Filing for OIDAR Service Providers or Suppliers

Based on the place of business of the OIDAR service provider, the due date for GST Return Filing and the form to be filed would differ.

For Located/Situated Outside India

OIDAR service providers located outside India are needed to file Form GSTR-5A on or before the 20th of each month. Similar to the requirement for registration, all OIDAR service providers located outside India are needed to appoint a representative in India for the filing of GST returns and assuring an agreement under GST.

Form GSTR-5A is a simplified form and the details to be provided in Form GSTR-5A contain:

- Details of taxable outward supplies made to consumers in India with details like place of supply (State or united territory), the rate of tax, taxable value, IGST, and tax.
- Calculation of interest, penalty or any other amount.
- Tax, interest, late fee and any other amount payable & paid.

Reverse Charge for OIDAR Services

Under GST, the supplier of goods and services is generally made liable for the collection and payment of IGST or CGST and SGST to the Government. However, OIDAR services have been placed under the list of Reverse Charge Services under GST, making the recipient of the service responsible for payment of GST. Hence, all business organizations receiving OIDAR services in India are needed to pay GST on behalf of the supplier of the services.

“Non-Taxable Online Recipient means”

- Any government (that may be central gov. or state gov.)
- local authority
- governmental authority
- an individual
- any other person not registered under the Act

And such person receiving online information and database access or retrieval services in relation to any purpose other than commerce, industry or any other business or profession, located in the taxable domain.

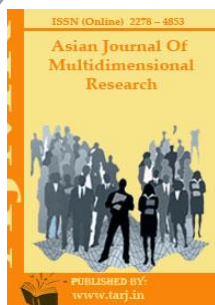
If these persons receive any services for commerce, industry or any other business or profession, then they will not be considered as a non-taxable online recipient.

CONCLUSION

“To pay the tax there are so many services which are provided by the GST Act, the people who stay outside the country and paying the tax and that tax is nothing but the electronic receipt. People receive online information and database or retrieval services in relation to any purpose that may be commercial, business or profession they need to pay the tax. That is what exactly explained in OIDAR services”

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INSOLVENCY AND BANKRUPTCY CODE

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ABSTRACT

One of the issues that are plugging the Indian banking sector in the last recent years has the issue of Non-Performing Asset. Let us assume "A" is a manufacture in the market who has taken a loan from a Bank "B" and purchased raw materials from the supplier "C" on Credit. Now technically A is referred to as Borrower/Debtor whereas B & C are referred to as Creditors/Lenders. The Insolvency Resolution process to be cover in 180 and this time period is referred to as Mortarium Period. During this period no further cases are accepted, and no recovery proceedings are conducted against this company. This period can be extended another 90 with propagative of the Insolvent Professional. A Coin has 2 Sides, Similarly IBC also has positive Implications and Negative Implications. The government of India has to take more initiatives and efforts to reduce the negative implication for achieving the basic objectives of IBC. Here B is referred to Financial Creditor (Secured) whereas C is refereed to Operational Creditor (Unsecured). If A is unable to make to payments to either B or C, Now this inability of making repayments to the creditors is referred to the concept of "Insolvency".

KEYWORDS: *Non-Performing, Implication, Insolvency*

INTRODUCTION

One of the issues that are plugging the Indian banking sector in the last recent years has the issue of Non-Performing Asset. According to the World Bank Report, NPA comprised of 2.6% of the total loans issued by Banks in the Year 2011 and by the Year 2016 these NPA has raised to 9.1%. In the span of Five Years, the NPA has tripled than the actual.

To reduce these raising NPA in the economy, the Reserve Bank of India and Government of India together have implemented a host of reforms. One of the biggest reforms which were implemented by the Government of India in December 2016 is "Insolvency and Bankruptcy Code"

INSOLVENCY AND BANKRUPTCY

In order to understand these terminologies, let us take an example

Let us assume “A” is a manufacturer in the market who has taken a loan from a Bank “B” and purchased raw materials from the supplier “C” on Credit. Now technically A is referred to as Borrower/Debtor whereas B & C are referred to as Creditors/Lenders. As per the Insolvency and Bankruptcy Code, there are two types of Creditors in the market; they are referred to as Financial Creditor and Operational Creditor. Here B is referred to as Financial Creditor (Secured) whereas C is referred to as Operational Creditor (Unsecured).

If A is unable to make payments to either B or C, now this inability of making repayments to the creditors is referred to as the concept of “Insolvency”.

The Legal Process or Legal Framework which is followed to resolve these kinds of Insolvency issues is Bankruptcy.

NEED FOR INSOLVENCY AND BANKRUPTCY CODE IN INDIA

- The multiplicity of Laws: Before IBC there were different laws or legislations which took care of Corporate Borrowers and Retail Borrowers

Corporate Borrowers: Companies Act 1956, Companies Act 2013, SICA Act 1985

Retail Borrowers: SARFAESI Act 2002 AND RDDBFI Act 1993

Rather than having different legislation, IBC provides a single legal framework for both Corporate and Retail Borrowers

- The Time required for Resolution was very high and Recovery rates very low in India. As per the survey conducted by Alberts and Marshall, the time required for the completion of Insolvency Proceedings in India was somewhere around 4.3 yrs., the recovery rates which basically represent how much of loan/debt is recovered by the creditors once the insolvency resolution was done. Recovery rates in India were very low and were hovering at 25.7. It is usually represented by cents to Dollars
- Non Performing Assets in case of Indian Market are climbing up. This NPA rise is despite RBI taking many measures in the last couple of years such as Strategic Debt Restructuring, SAA, 5:12, AQR
- The present government of India is giving lots of Importance for the concept “Ease of Doing Business”. India represents 136th Rank in Ease of Doing Business Report published annually by World Bank

PROVISIONS OF IBC**1. Debtor in Possession(DIP) to Creditor in Control(CIC)**

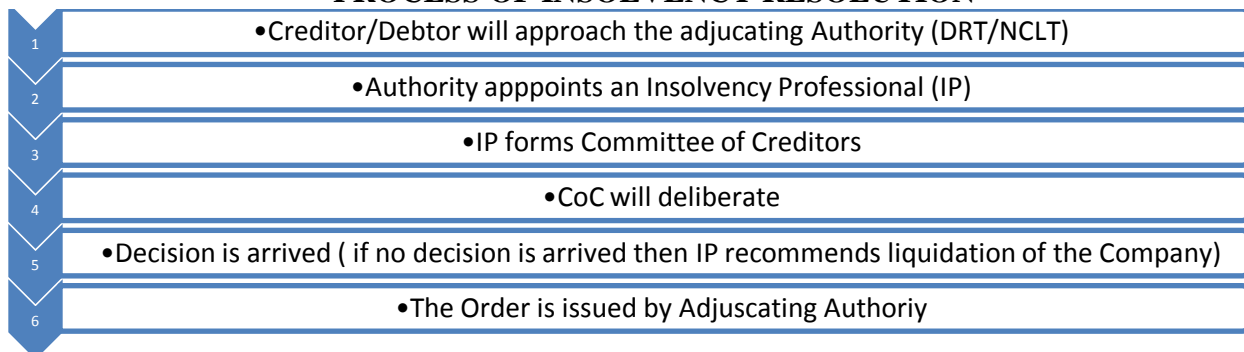
Before IBC was implemented the debtor used to file for insolvency but used to own the assets of the company but under the new regime once the creditor loses faith in the repayment capacity of the debtor, they can approach the NCLT and file for insolvency process. Once the case has been accepted and admitted by the NCLT, the NCLT professional will be made in charge of Company Assets

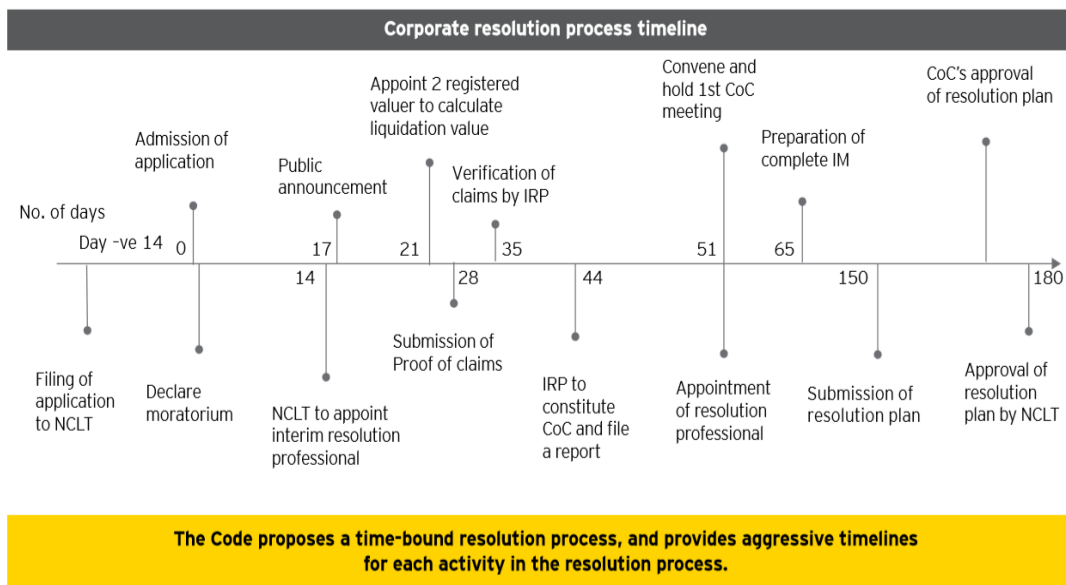
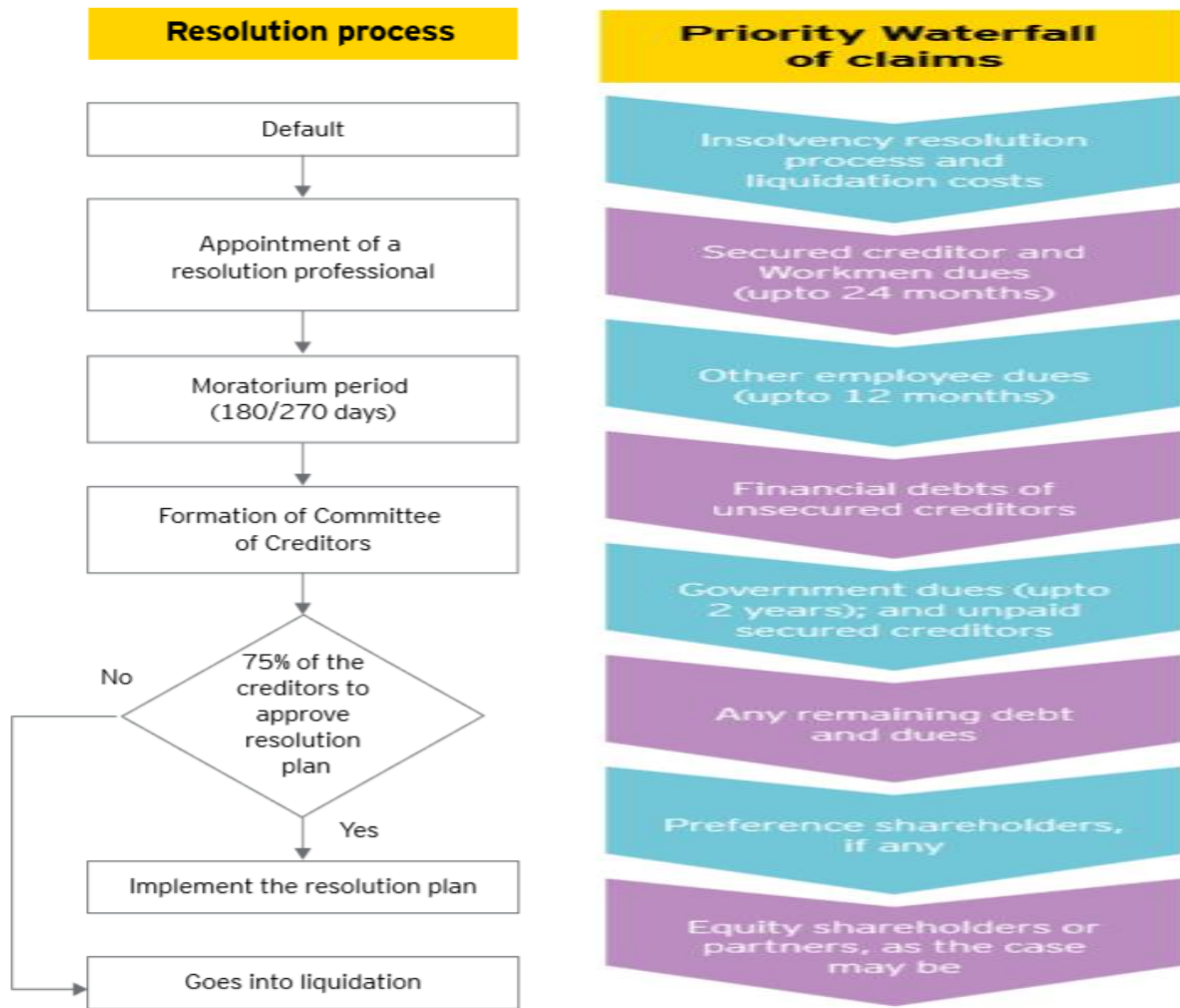
2. With the Passage of IBC, it led to establishing three types of Authorities

- Insolvency and Bankruptcy Board of India (IBBI)
- Insolvency Professionals (IPs)
- Information Utilities (IUs)

3. Separate Insolvency Process for Individuals and Corporates
 - For Individuals and Partnership Firms: Debt Recovery Tribunal
 - For Companies and LLP: National Company Law Tribunal
4. The Insolvency Resolution process to be cover in 180 and this time period is referred to as Mortarium Period. During this period no further cases are accepted, and no recovery proceedings are conducted against this company. This period can be extended another 90 with propagative of the Insolvent Professional
5. The Idea of Insolvency resolution Process is the creditor either sell the company to a new buyer in the market who is referred to as “Resolution Applicant” or “Liquidating the Company.

PROCESS OF INSOLVENCY RESOLUTION





COMPARISON OF INDIA IBC AND UK IBC

	Features	UK	India
Similarities	Regime	Creditor in Control	Creditor in Control
	Initiation of IR	Creditor/ Debtor	Creditor/ Debtor
	IP	In charge	In charge
Differences	IP Appointment	Bond	NO Bond
	IP Autonomy	Can take Decisions alone	Can't take Decisions alone
	Moratorium Period	FTP	180 + 90 Days
	CoC Voting	FC + OC	FC

IBC JOURNEY SO FAR

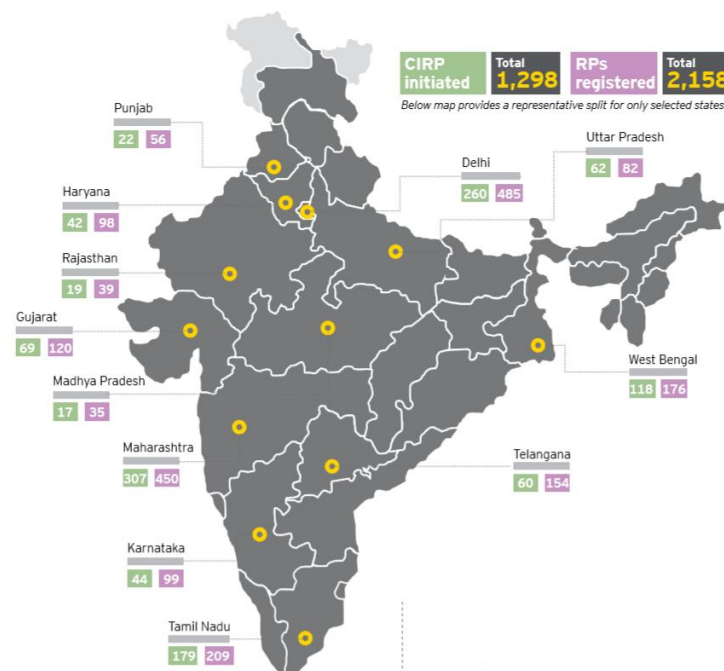
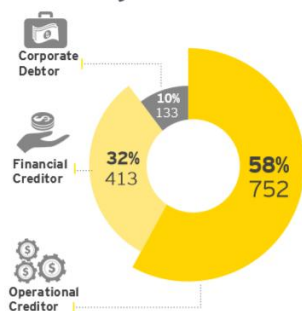
- Dec 2016 IBC made operational from 1 Dec 2016
- Jan 2017 First application of corporate insolvency accepted by Mumbai, NCLT (Innovative Industries)
- Mar 2017 Regulations pertaining to information utilities and voluntary liquidation were notified
- Nov 2017 First IBC Ordinance Section 29A introduced Feb 2018 RBI circular on a Revised framework for the resolution of stressed assets
- Aug 2018 Supreme court order on Jaypee Infratech - Initiating the CIRP again
- Nov 2018 UltraTech takes over Binani Cements. The plan approved by NCLAT & SC, giving 100% recovery to creditors
- May 2018 ArcelorMittal places ₹ 7,000 cr in escrow to pay Uttam Galva dues
- May 2018 TATA Sheets of steel takes over Bhushan Steel
- Jun 2017 RBI direction to file for CIRP of 'Big 12' cases
- Mar 2018 The report of the Insolvency Law Committee released
- Oct 2018 SC judgment on Essar Steel – Lays down principle on Sec 29A and roles & responsibilities of CoC, RP & RA
- Sep 2018 JSW Steel, acquire 88% stake in Monnet Ispat
- Jun 2018 Second IBC Ordinance - Homebuyer as FC, Voting threshold reduced to 66%/51%
- Jun 2018 Vedanta takes management control of Electrosteel Steels
- 1,298 cases admitted for CIRP till 1 Dec 2018, ~4% have been resolved. ~ 30% of pending cases have crossed 270-day timeline till 30 Sep 2018
- 46% is the average recovery for FC from the 52 cases resolved till 30 Sep 2018~ 60% of the cases admitted are filed by OC. This is after the majority of OC filing are settled after filing but before admission
- 288 cases of voluntary liquidation filed; 50% + are filed for the closing of operations
- 259 cases out of 1,298 CIRP have gone into liquidation. 75%+ of liquidation cases were erstwhile BIFR cases
- In 206 cases (till 30 Sep) IRP was replaced in first CoC by another RP. More than 75% of such cases were initiated by OC or CD

- Out of 2,158 RPs registered, 778 RPs are working or have worked on total 1,845 cases (1,298 CIRP, 259 Liquidation, and 288 Vol liquidation)

Status check

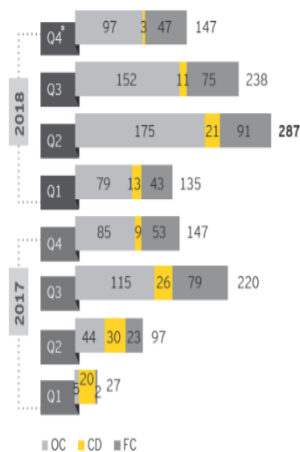
The code on ground

Applicants initiating CIRP



Source: ibbi.gov.in

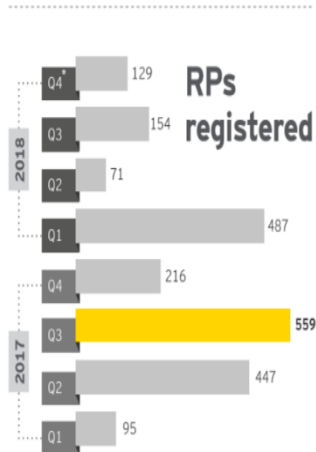
CIRP Cases admitted



Source: ibbi.gov.in

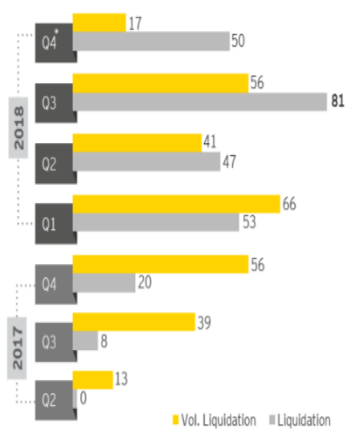
* till 1 December 2018

RPs registered



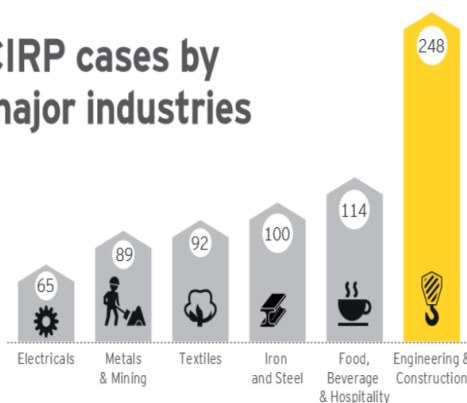
* till 1 December 2018

Liquidation filings



Source: ibbi.gov.in

Source : ibbi.gov.in

CIRP cases by
major industries

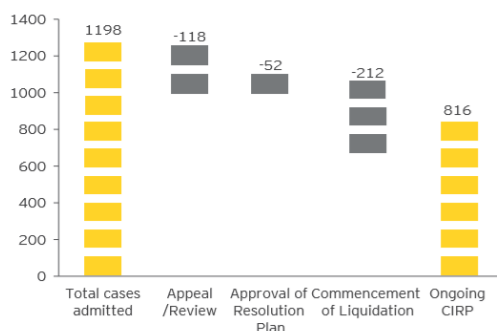
Source: ibbi.gov.in

Range of realisation made by FC on 52 cases resolved till 30 Sep 2018

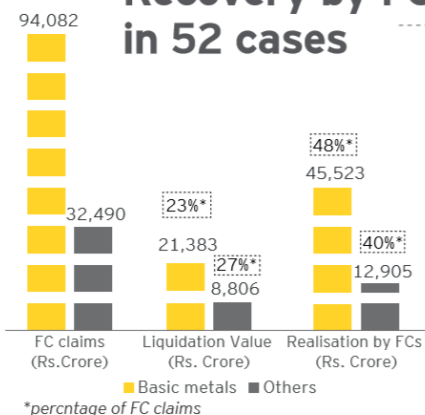


Source: ibbi.gov.in

Source: ibbi.gov.in

Cases admitted till
30 Sep 2018

Source: ibbi.gov.in

Recovery by FC
in 52 cases

*percentage of FC claims

CONCLUSION

A Coin has 2 Sides, Similarly IBC also has positive Implications and Negative Implications. The government of India has to take more initiatives and efforts to reduce the negative implication for achieving the basic objectives of IBC.

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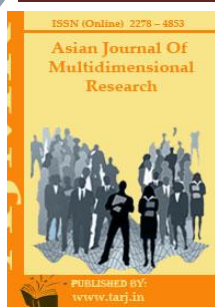
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BLOCKCHAIN: THE NEXT DISRUPTOR IN DIGITAL ADVERTISING

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ABSTRACT

Global companies are spending a huge amount on digital advertising over the last years. There are many challenges like transparency, data protection, and decentralization when can slow down the growth of digital advertising. Then blockchain technology came into existence, which had the capability of solving a few challenges of digital advertising. This research paper tries to understand a few of the challenges can get solved by using this blockchain and what are the benefits of blockchain in the digital advertising industry. On the other hand, online advertising is evolving: the industry as it prevails today supports similarities to the one which was five years ago. The online advertising is on the point of transition between two different states, yet another huge conversion that stands self-assured to change everything all over again. Which are connected using the art of writing or solving codes (cryptography)? The block-chain word may be complex but the base of this technology is very simple. But with the help of block chain technology, the customers will know where the ad was published. So, if the customer wants to buy a product or service they can know whether the product is from the original brand or its market place.

KEYWORDS: Digital advertising, blockchain technology, transparency, fraud prevention.

INTRODUCTION

RESEARCH METHODOLOGY

The methodology used in this research is persuasive. This research describes the block chain technology in digital advertising. The data which is used in the Research is secondary. And this secondary data is collected from the articles, blogs, and journals. This research is completely qualitative in nature.

Research gap

The articles which are found completely focus on cryptocurrency. Blockchain is the new evolving trend and it appears to be worth researching.

Research problem

This research tries to find out what are the problems faced in the digital advertising industry and how few of the problems can be solved using block chain technology.

Objective of the study

Objective of this study is to understand the emerging block chain technology in the advertising industry and how it benefits the advertisers and publishers. And how few of the challenges faced in the present advertising industry can be solved using this block chain technology.

Before getting into the topic let's get to know what block-chain is? Block-chain is a technology which is a ledger and can store data using blocks. Which are connected using the art of writing or solving codes (cryptography)? The block-chain word may be complex but the base of this technology is very simple.

Online advertising is one of the best ways to promote their brand to their targeted customers but during these days, the publishers are using ad agencies (middleman third parties) to promote their brands.

But the problem in the above system is given below:

- No transparency.
- Owners do not have any idea about viewers for their ad.
- The connection is not direct in between them.
- Traffic problem

On the other hand, online advertising is evolving: the industry as it prevails today supports similarities to the one which was five years ago. The online advertising is on the point of transition between two different states, yet another huge conversion that stands self-assured to change everything all over again. If you have an opinion that block chain technology is something which is used only in crypto-miners and bitcoin addict, then you have to think about it once again. It has a number of interesting suggestions for online advertisers that are important for exploring.

Benefits of blockchain

The interest on blockchain as a solution for many of the issue's delicate the digital advertising supply chain becomes noticeable when considering the overall benefits of block chain from a digital media perspective. These benefits include:

- Trust
- Transparency
- Decentralization
- Safety and security
- Fraud prevention
- Efficiency

Trust:

The blockchain technology provides a proven structure for generating reliable communication two parties who do not know each other necessarily. Trust is ensured because parties cannot hide their identities

Transparency:

The important thing which blocks chain brought into the world of advertising is transparency. And every transaction is always visible to the individuals who have access to the block chain. For example: when an advertisement for any product or service is advertised, many of the customers will worry about being trapped. But with the help of block chain technology, the customers will know where the ad was published. So, if the customer wants to buy a product or service they can know whether the product is from the original brand or its market place.

Decentralization:

There is no need for any third party for controlling and recording. Because by using the block chain technology the advertiser and the customer meet up directly without any middleman. The investment which was spent on the middleman can be spent on the customers for opening and registering for a particular advertisement.

Safety and security:

The block chain technology is not maintained by any authority, it is a connection and access is given to each and every single individual who are in the chain. So whenever the data is added the information is given to every individual in the chain, so there won't be any malpractices. Whenever information is entered into the block chain it cannot be changed by anyone the individual.

Fraud prevention:

By using this block chain technology whenever the transaction is made, it discloses the information to every individual and the identities will also be verified.

The identities which are disclosed cannot be duplicated.

Efficiency:

The best and natural results of block chain technology are efficiency and cost reduction and this was practically proven by Fin Tech where block chain technology has begun.

Challenges of block chain:

- Speed
- Cost
- Terminology

Speed:

The block chain technology now in crypto currency takes minutes for transactions. But in advertising, the speed should be in milliseconds.

Cost:

The cost of using block chain technology is higher when compared to the technology which is used currently.

Terminology:

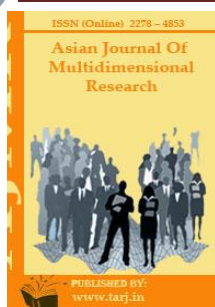
The terminology which is used should be very mentioned clearly to avoid confusion because there are no middlemen.

Literature review:

- Michael Palmer, Director of Product Management: “Everything should be mentioned correctly so that there is no confusion between advertisers and customers because there are no middle men “. Everything should have proper definitions and has to be standardized.
- Will Falcon, Head of Product and Technology, Premium: “Block chain technology enables efficiency, transparency and costs less than the present things being used in the market.
- Michael Palmer, Director of Product Management, [m]PLATFORM: “To make the block chain technology more attractive and should be less expensive than the present solution. We have a solution to a problem in a lot of places. Block chain technology is extremely useful for some very definite places”.
- Ken Brook, Chief Executive Officer, and MetaX: “The year 2018 is going to be an observational and initial regulation year. There are many discussions around regulating digital advertising and to govern decentralized systems. Economists and supply chain experts are going to face problems by getting advice from the verticals”.
- Richard Bush, Chief Product and Technology Officer, NYIAX: “one-to-many markets” the whole idea is customers also should be the part of data exchange. There is an opportunity to solve this problem and do it with block chain because it enables safety and security of data and it also provides transparency.

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A STUDY ON REACH EFFECTIVENESS AND RETENTION SPAN OF 'BUZZ MARKETING'

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ABSTRACT

Today's marketing environment is influenced by rapid changes in technology and consumer behavior, thus compelling the marketers to develop innovative marketing techniques which create impactful messages for better reach, thereby delivering right communication to the consumers in short span of time. Over the last decade, the internet has become a means for organizations to trigger consumer reactions. Using FOMO, inquisitiveness and various other emotional cues they are fostering customer engagement, instant purchase decisions and seeking quick responses. With the advent of social media, Buzz marketing has become a prominent tool for marketers to create a stir in the mind of the consumers. Buzz marketing utilizes elements that capture the attention of customers wherein making them influencers for the product, brand or service. It incorporates fun and entertaining messages so as to make use of word-of-mouth for promotional purposes. In light of the social marketing concept, marketers started grabbing the opportunity of highlighting social concerns via buzz marketing to attain high acceptance from society. In a competitive environment, marketers are implementing such emerging techniques to create an edge over other counterparts. Whilst buzz marketing does create an impact but the effectiveness, as well as retention of such efforts in the minds of consumers, cannot be contemplated in specific. This paper is an attempt to study patterns of buzz marketing and understanding the effectiveness in terms of reach as well as longevity of the content. This would incorporate both primary study with the help of a questionnaire-driven consumer survey and enhancing with rich secondary literature to understand the dynamics of 'Buzz Marketing'.

KEYWORDS: 'Buzz Marketing', Questionnaire-Driven, Emerging

INTRODUCTION

The new age business world is experiencing rapid and revolutionary techniques being utilized as powerful marketing tools, thus making conventional marketing and promotional strategies superfluous. Such traditional techniques not only involve a lot of costs but also yield minimal outcome as compared to contemporary ones (Yankelovich, 2005). Internet, social media and technological advancements are offering high leverage to marketers in terms of cost-effective influential marketing and promotional tools such as word of mouth, social media marketing, customer engagement and innovative promotional strategies etcetera.

One of the most compelling promotional technique, that gains instant customer trust, owing to close interactions amongst friends, family social groups are 'Word of Mouth'. Word of mouth secures high credibility of customers over commercial advertising due to immediate experiential feedback and suggestions from the people they believe (Schiffman & Kanuk, 2007). Therefore, it acts as an opinion leader by influencing others to form strong opinions thus leading to purchase action by customers.

Furtherance of technological advancements such as social media, online web communities, and web blogs have offered new platforms for the businesses (Lu *et al.* 2010). Customers are now propounded with access to the social environment without any requirement of physical presence which is augmented by high speed, thereby, facilitating marketers to extend their market coverage (Lai and Turban, 2008). This led to extensive usage of online social media by marketers for better communication and promotion of their businesses through the sturdier, meteoric and compatible channel of sources.

LITERATURE REVIEW

'Viral marketing' refers to an occurrence of a group of customers mutually unfurling the message that a marketer has deliberately created to communicate to a mass audience (Van der Lans *et al.* 2010). This has become the most widely used technique by marketers to push a product or service in the market. The primary intention is to convey the marketing message to millions of people by attracting them to spread word of mouth in its favor. Besides the proliferated internet usage, viral marketing found massive space for its growth and rendered the firms in gaining huge customer base (Preece, 2002).

'Buzz Marketing' was developed around 1997 as a result of persistent advancements in advertising technologies and promotional strategies (Leila and Gharbi, 2013). Whilst facing a lot of initial slack and denunciation about its effectiveness it outshined with its impactful and explosive reach to customers within no time. According to Morrissey (2007), Buzz marketing has got the characteristics of a virus that can spread through word of mouth to defined target population thereby attracting them towards a product or service. Buzz marketing emerged as the best suitable alternative for companies (Henry. 2003). By pooling the customers Buzz facilitated discussions about product and services thus generating uproar in the market place (Kirby and Marsden, 2006).

Viral marketing, Word of mouth and Buzz marketing sound similar in nature, but conceptually these can be distinguished separately (Chung. 2011). Buzz works by managing word of mouth to establish interpersonal communication. This triggers the message to become viral. Marketer's role is crucial in this regard to pave the path for the triggered viral towards predefined objectives. Basically buzz functions on two key elements, motion pictures and broadcasting which generate a strong impact in marketing message (Davidson. 2013).

Buzz marketing ensures brand building with an emotional connection which secures the attention of the customer and facilitates deep association with the brand. Over the last decade, this has become a major means of brand building for a lot of firms. According to Libert and Tinsky (2013), emotional messages tend to work better in becoming viral and have more impact on consumers. Further, Libert and Tinsky (2013) suggest a few guidelines for effectively building content and intensifying emotions to garner customer attention:

- Stimulate the senses
- Include positive emotions
- Establish connect between message and receiver
- Ensure the newsworthy hold
- Easily understandable
- Should fit into a media format
- Simple to spread
- Should create value in sharing
- Avoid any sort of negative impact on the sharer
- Ensure integrated interest for the topic

Thompkins (2012) advocates that message quality and strong consumer ties with the advertiser are main factors for creating impact as these customers can influence others easily. In a similar study Guest (2016) states that influencers play a vital role in the sending process. The success of buzz marketing depends on the selection of initial target audience, formulation of an effective strategy to help marketers choose the most optimistic group of favorable customers for a particular brand (Guest. 2016).

Majority studies on buzz marketing emphasize on development, implementation, factors affecting the effectiveness of these newly developed marketing techniques but have not attempted looking at certain aspects such as impact, retention and the reach to the intended target market to garner attention and spread word of mouth.

Social marketing assists the firms to build positive apprehension amongst the customer groups and enriches the brand value. Identification of upstream social problems and offering solutions to the same can be regarded as better social service. Such social strategies have been capturing more attention from both the ends, customers and marketers (Wymer. 2011).

One of the leading beverages business conglomerate Pepsi Co. masters in attracting customers and establishing emotional connect with the brand by developing and executing astounding marketing techniques. The company has been doing extraordinary in experimenting with innovative promotional tools melding with social causes, generating viral talk and grabbing attention from millions of people across the world (Farazuddin, 2016).

Pepsi Co. Mirinda opened the gambit “Release The Pressure” campaign in 2017 to bring the awareness among Indian parents, mounting pressure on their children out of comparing them against others during and after the exams particularly in 10th and +2. A short film describing parental pressure on teenage and youngsters had become viral and reached millions of people. This

flourishing gesticulation stimulated the firm to push on the second version of the same. Pepsi Co. strategically associated the campaign with its pet product brand “Mirinda” with an intention to stir a buzz in audience mind thereby enhancing brand reputation.

In this context the company strategically used the social marketing concept combined with buzz and positioned in the Indian market, particularly teenagers and youngsters are targeted as initiators to take this campaign forward through online platforms. The campaign successfully facilitated a reach of 154 million with 650 million impressions (Maglobal, 2018)

RESEARCH METHODOLOGY

The primary objective of this research is to understand the reach effectiveness and retention span of ‘Buzz Marketing’. This study incorporated both primary and secondary data collected from various sources.

Primary data has been collected via a structured undisguised questionnaire. The sample size of the study is 150. Students belonging to different colleges across Andhra Pradesh and Telangana state were randomly selected for the purpose of this study. Online portals are used to send the questionnaire to respondents via email and questionnaire link.

Secondary data includes rich literature from various journals, web and other sources.

FINDINGS

1. Despite having access to various options such as YouTube, Facebook, etc. to view content, 95 of respondents have chosen YouTube. The rest have chosen others to view content.
2. When respondents are asked about their preferences, YouTube is the most preferred for videos and twitter is the most preferred for news and other information.
3. When it comes to the attractiveness of the video, 109 respondents feel that the video is attractive. This implies positive inclination by majority respondents towards the likeability of the campaign, thus making them share their views and discuss the video with others (Refer to Appendix- Fig.1.)
4. The creativity and innovation of the message are liked by 80% of the respondents due to the ability of Pepsico in addressing delicate social issues that generally affect the target market. Therefore, it can be implied that customers have responded well towards the message given in the campaign (Refer to Appendix- Fig.1).
5. As opposed to the literature that emphasizes viral content success on emotions, this study clearly reveals that emotions not necessarily drive the consumers to like a campaign or message as only 54 respondents could deeply connect to the campaign emotionally (Refer to Appendix- Fig.1).
6. The relationship between the content and brand could not be established as only 34% of respondents recognized the association. It clearly indicates a disconnect between the brand and the content (Refer to Appendix- Fig.1.)
7. The likeliness of referring the campaign to friends and family is more than 60%. This aligns well with the literature which states that only selected few i.e. the influencers are capable of making the content viral in their social groups and peers.
8. Surprisingly, 56% respondents stated that they may recall the campaign on a lighter note while buying any aerated drink, but only 18% strongly confirm that they will be able to recall the campaign while purchasing the drink. This can be implied that emotional cues do not necessarily

register in the customer's mind specifically with respect to purchasing decisions.

9. Only 44.6% of respondents feel the urge to buy Mirinda after watching the campaign. It can be concluded that the social message not necessarily impacts sales for a brand. It supports the statement that Buzz Marketing cannot surely result in sales for a brand
10. Brand enrichment is not the end result of a campaign as only 21 respondents strongly agree to campaign enhancing the brand value. This is very less number considering the fact that mainly Buzz is related to the essence of the brand (Refer to Appendix- Fig.2).
11. The retention level of the campaign is 1-3 months for 51% respondents and 3-6 months for 26% respondents suggesting low key indication for retention in consumer's minds. In spite of the quality of the message and attractiveness of the campaign the span of retention is very low that the majority of the customers cant' remember it for more than 6 months (Refer to Appendix- Fig.1).

RECOMMENDATIONS

[1] The Pepsico 'Release the Pressure' campaign has turned out to be a good initiative to garner customer attention and help the student community as well as their parents undergoing constant study, peer and other strenuous elements in their study phase. The way to spur the emotional instinct of the target market is really appreciative but in the wake of all this, the aspect of highlighting the brand, image, and identity does not get due importance.

[2] Though Buzz Marketing can help a firm in getting instant recognition and name in the market. But as its impact and retention do not stay for a longer period of time, there is constant need to use various other promotional techniques and innovative media usage for better sustainable and stable reach to the consumers.

[3] As Buzz marketing already involves less cost to the company, it should be a continuous process to keep the consumers intact and promote more brand loyalty. Moreover, the message, content, and delivery should be more innovative, creative and should capture the original essence of the brand.

[4] Influencers have a major role to play in Buzz Marketing. To make the content viral they should capitalize on the impact generating a capacity of the influencers. Simple ways to connect with influencers is through following their posts, tweets, re-sharing, posting them on the company's own social media will give them a boost and encourage effective word-of-mouth.

[5] Last but not the least, it is understandable that emotional connect was the foundation for 'Release the Pressure' campaign but combining two or more elements for creating buzz such as unusual and hilarious, or outrageous and secrecy element, can definitely have more impact and better reach, thus helping the brand to go viral.

CONCLUSION

'Buzz Marketing' being a credible marketing technique has the capacity to deliver ROI with its proper execution. It can be used in raising awareness regarding social issues, create a spur through hysterical content, thereby stimulating purchasing action from customers. But it is still not a sufficient tool in reinforcing the positive brand image for long-lasting impressions and convinces users towards brand loyalty. Thus to take complete advantage of 'Buzz Marketing' a firm needs to have an integrated approach of combining with other promotional methods, various types of 'buzz' and concentrate more on creativity that aligns well with the brand image already established.

Therefore, to achieve the viral effect, marketers need to understand that it is purely a means to reach attain a certain goal, and not the actual goal itself.

Appendix 1

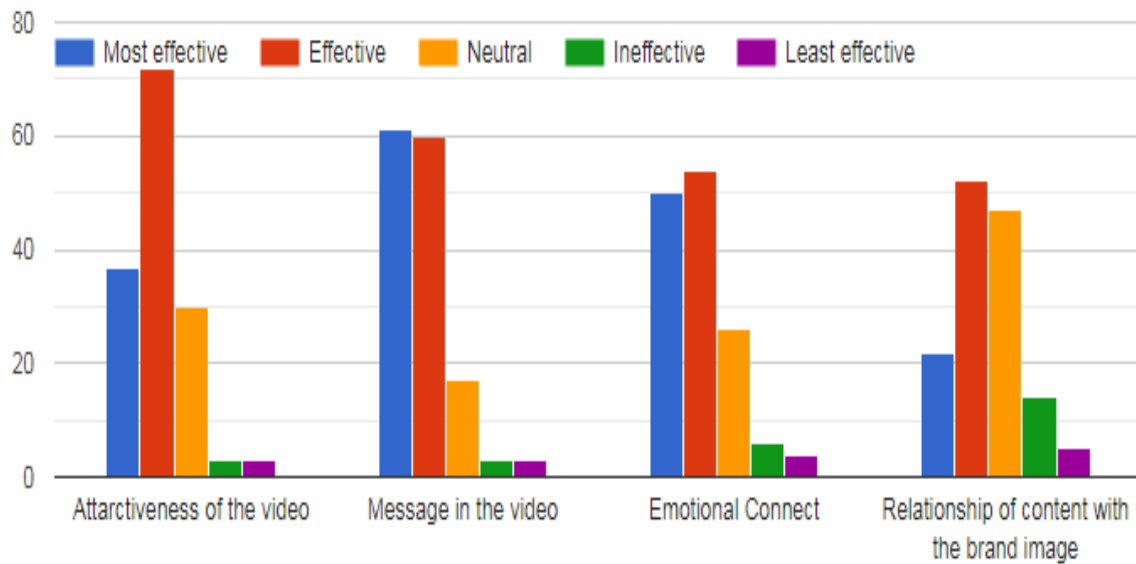


Fig 1. The effectiveness of Mirinda Campaign

2.

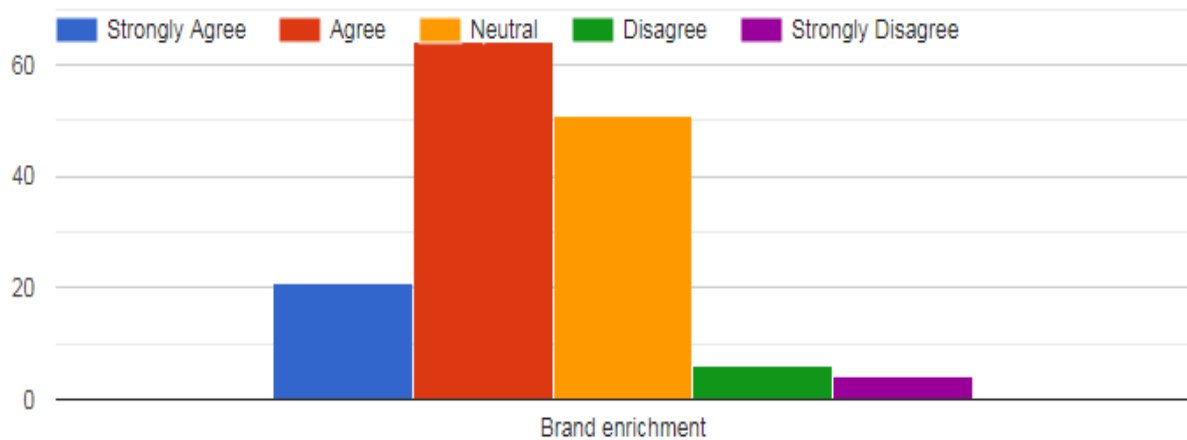


Fig. 2. Impact of the campaign on the brand

3.

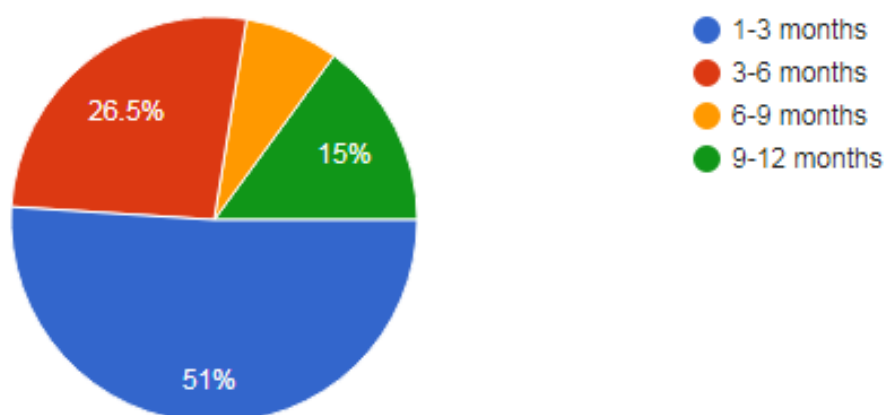


Fig. 3. Retention span of the campaign

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AWARENESS OF GREEN LABELS AMONG MILLENNIALS

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ABSTRACT

Our mother earth is currently facing many environmental problems like Global warming, acid rains, air pollution, ozone layer depletion, etc. Environmental protection became the pressing issue from the last two decades, in the world of limited natural resources the considerations of the environment in the manufacturing and the consumption is obvious. As Millennials are the potential agents for the change, the present study is an attempt to investigate the awareness of green labels among the millennial and their concern on the environment. Millennials are the generation Y people who are born between(1980-1996)of which the people are increasingly familiar with the digital and electronic technology. Green labels are the ecological labels i.e., is a seal or logo are based on life cycle considerations; this means that all aspects of the "life" of a product, from design, production, operation, and maintenance up to disposal are taken into consideration indicating that a product has met a set of environmental standards. There is three types of labeling type-1,type-2, and type-3. The present paper mainly focuses on type-3 labeling which typically refers to general claims like "recyclable", "ozone-friendly" etc. Environmental labels, ecolabels, helps in the product declarations and many other logos that aspire to define the environmental performance of many consumer products. A survey has been done that focused on consumers' perception process on the green labels, aiming to study the effects of green label brings on consumers purchase. Therefore, this paper, from the perspective of enterprise, states the survey about awareness of the green labels, their perception towards it and influence of green marketing strategies on their purchase behavior, which plays an important role in the sustainable development.

KEYWORDS: Millennials, Green labels, consumer perception, Sustainability, Environmental standards.

INTRODUCTION:

This research investigated the awareness of green labels and their concern towards the environment among the Millennials. Millennials are the people were born between about 1980 and 1995, and are roughly 20 to 35 now. Millennials grew up in a generation of electronics and the increasingly socially-networked world. As they are the generation that has received the most marketing attention. As the most ethnically diverse generation that the awareness of the environment protection is the responsibility among them. The eco-labels are also played an important role in ecological protection and sustainable living. From a business point of view, ecolabels are considered as the environmental management tools that help in educating the customers of products' new green features in a visual way. The eco-labels these days for the most part known as green labels. We can state that a green label is a natural confirmation for which an image is granted to explicit items including structures and administrations to demonstrate that has an insignificant negative effect on the earth in correlation with different items. Green labels support the consumers to pick items that are less unsafe to the earth. There are different types of labeling information in order to give the complete information regarding the environmental characteristics.

Labeling types (1, 2, 3):

Labeling is of three types they are type-1, type-2, and type-3 labeling. The type one labeling which is called the third party labeling in which it involves a third-party assessment of the company's environmental standards, type two labeling is the generalized labeling which refers to the general claims like "ozone-friendly", "recyclable", "Chlorine free". As these are written or in the symbolic format are on the labels of various products which are associated with the market communication. Type -3 labeling is similar to third-party labeling but in order to overcome some of the problems. Generally, type-3 labeling which is testified by a third party in which as it collects the life-cycle inventory data and assesses the products rating in the terms of the environmental indicators like energy use, water discharges, air emissions, etc.

Evolution of environmental labels:

"Ecolabelling" is a voluntary method of certification and labeling for a product that is practiced many countries around the world as identifies that the products are proven environmentally safe overall, within a specified product category. The eco-labeling Green Stickers on consumer goods have been evolving since the 1970s, in which initially it is mainly used in energy consumption appliances. The government agencies in the United States and Canada legislated their requirement for environmental protection. Green Labelling which is today accepted and practiced worldwide is moving beyond the country borders. Most of these initiatives are voluntary Eco-labels. There are many eco-labeling schemes. There are many different environmental performance labels and declarations being practicing around the world. It has been identified by the International Organization for Standardization (ISO), in which the goal of these labels and declarations is: that the communication of the accurate information that is not causing any harm to the environment from the products or the services and to encourage for the development of the products and services which are less harm to the environment and which thereby contributing to the continuous environmental development. The ISO has undertaken great efforts to standardize the principles that relate to the three major voluntary environmental labeling types in which the-- Type I - environmental labeling (i.e. ecolabels), Type II - Claiming of self-declaration and Type III - For environmental declarations (e.g. information labels). As these labeling types play an important role in educating the people and

conserving the environment. The voluntary ecolabels are the labels Eco-labels are voluntary, i. e. companies may decide whether or not to apply for a label.

Importance of Ecolabelling:

Environmental concern is not new, As it was started since from the late 1960s it was started at the time where there is increasing pressure of the various production systems on the environment were identified. To overcome this several attempts have been made to move towards more sustainable and environmentally friendly approaches. Labeling programs help first to educate the individuals and move towards more environmentally friendly consumption processes. The eco-labels are designed consequently to mainly fulfill the two objectives: (i) First is to provide consumers with more information about the toxic effects on the environment by their consumption and to develop a change among the individuals towards more ecofriendly consumption patterns, and (ii) And to encourage producers, governments and other agents to increase the environmental standards of products and services.

Research Scope:

This research aims at Millennials who are active buyers from the super market. In respect to this target group, we give attention to the impact of demographic characters of the target group: gender, education background, income, and age. We want to test if these factors affect students' environmental motivation on Eco-buying behavior, their awareness about Eco-label and their Eco-knowledge. The recent years mark the appearance of many Eco-label schemes in the attempt of helping the consumers to recognize the products with are less harm to the environment. These labels help in achieving sustainable development. However, there is still lacking a clear understanding of the effectiveness of Eco-label in consumer consumption activities. We take this challenge as an opportunity to do the study of investigating awareness of green labels among millennials as this throws light on environmental protection and sustainable development.

LITERATURE REVIEW:

Lacroche et al(2001) have identified that the study of environmental friendly consumers can be traced back to the late 1960s which is suggested by Anderson and Cunningham(1972), in which they broke the new ground by exploring the profile of the socially responsible consumers. The consumers are often considered as the "ultra-green" in which they are the driving force of the environmentalism is given by the (Volsky et al 1999). Consumption is connected to social and ethical behaviors more broadly across the domains than previously thought by Nina Mazar and Chen-Bo Zhong. The consumers are more involved with the environment, the more like to purchase green products and helps in protecting the environment. (Schuhwerk and Ilefokk-Hagius 1995). Millennials are the people who are born in between the 1980s and early 1990s, who have grown up in an environment where they were already aware of the environmental initiatives (J. Halepete, Littrell, Mary, Park, Jihye, 2009). The enablers and barriers of the organic food purchase will provide the guidelines to the marketers so as to understand the preferences of consumers towards organic food and cosmetic products. Vishal Kumar Lahiri and Anupam(2015). Many studies have been examined that the price effects on consumers perception of quality (Leavitt, 1954; Rao and Monre, 1988). It has found that, in research of (Gogia, 2012), respondents showed their admittance that conserving and caring for our environment is the need for the people. While identifying the awareness of eco-friendly products, (Hindol Roy, 2012), observed that 70 percent of the respondents from the claimed that they were aware of a lot of the products which conserve the environment. On the contrary (Kawitkar, 2013) witnessed, that there are very fewer people aware of the concept of eco-

friendly products. Environmentalism is a social responsibility by Talma T. Mintu & Héctor R. Lozadahe(1993). If Environmental concerns are most important to the consumer, then they more interested in purchasing the products which do not harm the environment. (Follows and Jobber, 2000). A study conducted by, (Mahama Braimah, 2011) also noted that a small number (15.5%) of the respondents were familiar with green brands. Buchholz, Marcus, and Post in 1992 explained that consumers have become more sensitive to environment-oriented companies and their products. The basic idea behind the environmentalism dictates that all the corporations have a responsibility to go beyond the production of goods and services and contribute towards conserving the environment. Responsibilities are involved in helping to solve important social problems, especially those they have helped create (Buchholz 1991). Green foods are not always about being organic but it also about the concept of food safety, health issues, environmental hazard by Golnaz Rezai, Phuah Kit Teng, Zainalabidin Mohamed and Mad Nasir Shamsudin(2011). A consumers' purchasing behavior is developed mainly by the environmental concerns then the consumer is considered as the Green consumer. (Shrum et al. 1995). The companies are promoting the eco-friendly products by advertisement, promotional movies, documentaries, famous public figure to inspire the masses towards environmental friendly apparel by Saad Ali(2015). Many research studies have been conducted on the consumer's perception the towards green products (e.g., Cox 2008; Haytko and Matulich 2008; D' Souza and Taghian 2005; D'Souza et al. 2007). The purchase made by the green consumer is different each time. The purchase experience and knowledge gained from each and every purchase process (as well as the guilt from not purchasing the greenest product) the next purchase by(2011). During the concluding decades of the twentieth century, environmentalism has become an important social issue (Follows and Jobber, 2000). Environment sustainability initially came from the government and environmentalist groups, but now consumers also joined with the groups and protecting the environment. (Jain and Kaur, 2004). Environmental concern has become important criteria and that influencing the consumers' in making a decision. (Jain and Kaur, 2004). Green foods refer to foods that are safe to be consumed, of fine quality, which are nutritious, concerned with the welfare of the animals and are healthy, and which are produced under the principle of sustainable development and protection of the environment (Liu, 2003). Consumers consume green foods or green products when their needs and wants for meets the quality, availability, convenience, performance, and affordability and when consumers realize that the green products help to solve problems of the environment (Ottman, 1999). Conventionally sustainability is the durability of the natural and environmental systems that help in the protection of the environment (Peter Berck, 2015). In addition to that manufacturers are more and more getting concerned to produce the products that are free of toxic and other harmful chemicals like heavy metals and pesticides and they ensure that the production is not having any negative impacts on the natural resources like water, land and air quality and are also recyclable (Ballard, 2014). Green washing is a term which is used for the companies that make claims and advertising and promotional campaigns that the products produced by them are of going green however in actual they are not implementing any such ethically responsible business practices as they are claiming, because eco-friendly, green and organic terminologies are becoming very popular and it becomes very easy for the companies to utilize the opportunity of making business through using these professional jargons (Kewalramani & Sobelsohn, 2012). Mehdi Taghian, Clare D'Souza, and Peter Lamb provided insight into an understanding of green customers purchase intentions and the benefits of ecological product labels.

Objectives of the study:

- To study the awareness of green labels among Millennials.
- To investigate the environmental concern among the Millennials.

RESEARCH METHODOLOGY:

The study is exploratory in nature, having the objective of studying the awareness of green labels Among the Millennials. In order to understand the attitude of Millennials towards the green labels, survey research was designed and implemented. In this, the unit of the analysis was determined as the main household buyer of food from the supermarkets irrespective of the gender. The data were collected using the structured questionnaire and the sampling is the convenient sampling among the age group of 20-35 years of age, who are the millennial generation. The data collected from the Millennials who are the active buyers from the super markets. A total of 140 questionnaires were collected and used for the data analysis. In which all the factors are examined for their construct validity and reliability. The research instrument used in this study was structure based on some prior qualitative research and the reviewing of the literature.

FINDINGS OF THE STUDY:

To test the hypothesis, it was necessary to establish the evidence of a difference in demographic variables such as the age, income, employment, education and gender and the responses given to attitudes about aspects of green product labels. The 140 respondents are responded for the questionnaire. The age groups of the respondents are in between 20-35 years. Among them 56.8% of the females and 43.2% of males. 77.5% of the respondents are in between the age group of 21-25 years of age, 10.9% of people are in between 26-30 years of age, 5.8% of people are in between 31-35 years of age and 5.8% people are below 20 years of age. 52.9% of the respondents are post graduates, 33.3% are graduates, 9.4% are others and 6% of the individuals are undergraduates. The respondents in which the students are 68.4%, 19.9% of the individuals are employed, 7.4% are self-employed and 4.4% are homemakers. The income levels of the respondents below 10000 are 41.7%, 10000-20000 are 11.1%, 20000-30000 are 23.6%, 30000-40000 are 18.1%, Above 40000 are 5.6%. The respondents who buy packaged products are 93.4 % and the didn't buy are 6.6%. 34.6% of people buy the products monthly, 31.5% of respondents buy weekly, 28.3% buy daily, 4.7% buy forth night and 1% buy rarely. 82.9% of the respondents aware of the information on the label of the packaged product and 17.1% are not aware of the label information. 82.2% read the information on the packaged products and 12.2% didn't read the information on packaged products. In which 91.7% of people observe the expiry date on the label, 35.3% observes the ecofriendly label, 52.6% observes the ingredients used in manufacturing and 40.6% observes the place of manufacturing. 76.3% of people rely on the experience that's why they are not interested in reading the label information, 18.4% of people do not understand the information printed on packaged product, 7.9% of the individuals do not need any label information and 26.3 % of the individuals do not rely on the information printed on labeling. 90.5% of the individuals think that the information printed on label is highlighted and 9.5% of the people think that the highlighting is not necessary. 49.6% of the respondents as they can't say that the information printed on label is accurate, 39.7% of the individuals think that the information provided on label is accurate and 11.7% of the individuals think that the information is not accurate.

DISCUSSION:

There are different types of environmental labels that are we are exposing on a daily basis and people mostly buy packaged products on a monthly basis. In this study 79.4% of the individuals are aware and 20.6% of the individuals are unaware of the environmental labels. Majority of the individuals read the information on the packaged products and they mostly observe the expiry date, materials used in manufacturing and place of manufacturing and the people who observe the environmental labels stands last. The results suggest that the students who are post graduates and aged between 20-25 years of age are highly aware of the labels where undergraduates and home makers are the least aware of the labels. The people who do not read the information because they rely on the past purchase experience and some do not rely on the information printed. The highest proportion of the individuals are agreed that the information on the labels is highlighted as it draws the attention of the people. Most of the age groups can't say that the information is accurate on the labels and some are agreed that the information is accurate and the people who don't agree stands last.

CONCLUSION:

This research focused on the awareness of green labels among the Millennials. It examined the consumer's attention towards labels and their reaction towards them. This study examined that the highly educated and the individuals between 21-25 years of age are highly aware of the green labels and 50% of the individuals can't say that the information which is provided on the label is accurate.

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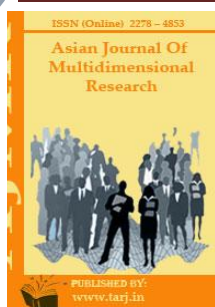
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CONSUMER PERCEPTION TOWARDS ORGANIC FOOD PRODUCTS IN HYDERABAD

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ABSTRACT

Today 'Physical & Mental fitness' with 'Climatic Aggravation' are responsible for raising the buzzer in society. This climatic catastrophe and health issues enhance concern among the government, NGOs, researchers, academicians, scientists, etc. Today's world rightly understood the real wealth is health. Growing health consciousness gave birth to a beautiful & evergreen concept called "Organic". As we know the food is the most important medium which affects our health largely. So, organic clothing, organic farming like business practices raise their heads. This Paper is a minor attempt to show the burgeoning green trend and its astonishing effect on consumer lifestyle through organic food. "Organic food or organically produced food product of a farming system which avoids the use of man-made fertilizers, pesticides, growth regulators and livestock feed additives. Irradiation and the use of genetically modified organisms (GMOs) or products produced from or by GMOs are generally prohibited by organic legislation". This paper basically highlights the corporate endeavor towards environmental and also emphasis on the inimitable strategy of the agri-business practices which directly affects the health of customer & climate overall. This paper intensifies the perception of the general customer towards this organic concept, especially for food. The organic strategy proved to be one of the best competitive strategies in this aggressive global platform. It Lavish corporate spoor which becomes prolific in amplifying common consumer to green consumer and lead them to a standard green & healthy lifestyle. Simply the motto of this paper is to give a hand to this green revolution to counteract the growing climatic & health dilemma.

KEYWORDS: organic food products, awareness, consumer perception, health benefits.

INTRODUCTION

The term “organic” can be broadly described as food grown without the assistance of synthetic fertilizers and pesticides. The concept of organic farming is not new to India. It was followed traditionally from the immemorial until the dawn of the Green Revolution headed by Dr. Norman Borlaug and Dr. Swaminathan. No doubt organic farming is an old concept but it gains its acceptance recently. Organic production and marketing have grown at a fast pace. Today, organic food stores have captured a significant share of the grocery shopping market. Organic food products consumption is also on the raise among consumers all over the world. This pattern is due to consumer awareness regarding health and environmental concerns.

Over the last few decades, the organic food market has grown unremittingly but, the total share of organic food is still less compared with the total food market. But still by seeing the present condition the market of organic products in India is at a nascent stage, and many consumers are unaware of the benefits associated with the products and the environment we inhabit. The price and availability of the organic products are the prime barriers towards its purchase, so the marketers need to focus on such barriers for penetrating the market of organic products in India (Laheri and Arya, 2015). In order to promote organically produced products, a cohesive marketing strategy is needed, which depend on a better and fuller understanding of food consumers and their perception. To achieve sustainable development, efforts should go beyond cleaner production to sustainable consumption (Narayanaswamy and Stone, 2007). Sustainable consumption only includes buyer behavior for greener products that bring less pollution during production (OECD, 2002).

RAISING DEMAND OF ORGANIC FOOD MARKET

Global organic food and beverages market is expected to grow at a CAGR of more than 15% from 2017 – 2020. According to Techsci research report, “Indian organic food market by product type, competition forecast and opportunities, 2011-2021”. The Indian food market is anticipated to grow at a CAGR of over 25% during 2016 -2021, due to the increasing use of synthetic chemical fertilizers and pesticides in non organic products that lead to various health issues such as cancer, obesity, birth defects. The report suggests that the government is making efforts to increase adoption of organic food, by the way of launching various policies and expanding the land area under cultivation over the next 5 years.

Here are the few points to pouch that India is the next destination for the organic segment

Raising popularity: Recently a lot of videos showing chemically produced vegetables and fruits became viral. people have witnessed the benefits of organic food on the health of stars and sports stars, who not only endorse but recommend to stay healthy and fit. These videos somewhat helped the popularity of the organic segment in pushing forward.

Awareness: This generation is educated and smart, thus they prefer to eat and healthy and spend on healthy food than to spend on medical treatments. They are well aware of the harmful effects of chemicals and fertilizers on food products. To opt for safe food and a healthy lifestyle, people prefer organic food over others.

Growth drivers: sprout intelligence expert team estimated that the global organic foods & beverages market in 2016 was worth more than USD 80 billion. Rising lifestyle diseases such as diabetes, blood pressure, and obesity, coupled with excessive contamination of conventional food are driving organic food sales, not just in the country but globally.

Opportunities: Indian market is very fresh for the organic segment and there are very few companies, who are ruling right now, thus there is an opportunity for start-ups as well as franchises to try their hands on and grab the opportunity. Moreover, India's food market size is quite big, to replace it with organic food, more business and brands will have to jump in the game. People are opting for quality lifestyle over chemically charged lifestyle. thus organic segment is going to take rapid shape in the near future.

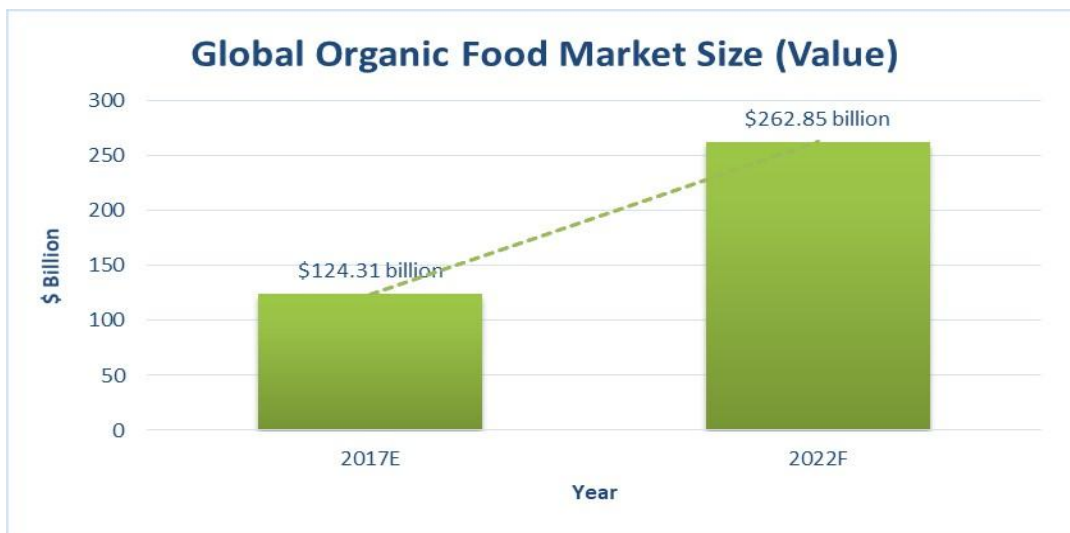


Fig1

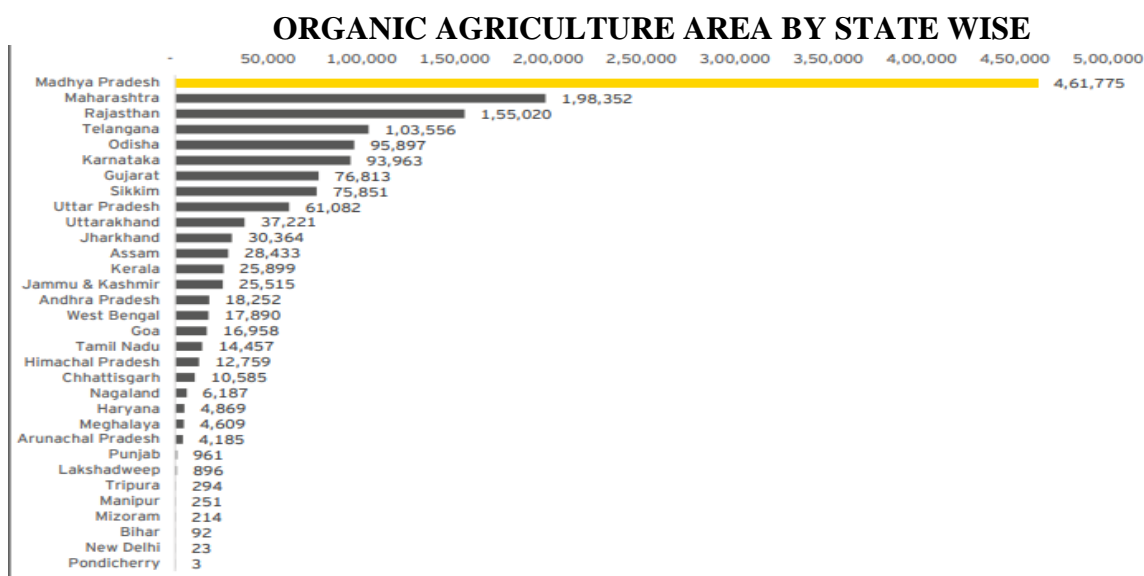
Source: APEDA⁽²⁶⁾

Fig2: The above graph shows the area occupied by organic agriculture state wise.

Here we can see that Madhya Pradesh is cultivating more area under organic (4,61,775) whereas Telangana stands 4th in organic cultivation which is (1,03,556). Pondicherry is cultivating low area in organic agriculture which is 3 hectares.

OBJECTIVES OF THE STUDY

1. To know the consumer perception towards organic food products
2. To find out the various factors facilitating the purchase of organic food

SCOPE AND IMPORTANCE OF THE STUDY

With raising the concern of health issues and food safety, many consumers have turned their side to organic products. The increased consumer's interest in organic food has been attributed among the others to the growing demand for food free from pesticides and chemical residues. Organic food promotes a balance of human, other living organisms and nature. It also promotes no artificial preservatives and best maintain the originality of food. This prevents the excess use of harmful ingredients and thereby ensures health.

This study attempted to gain knowledge about consumer perception towards organic food products consumption and to see whether there is any potential this might have for changing the behavior. The rationale for carrying out the study is that consideration for the environment could come only from well-informed citizens who are aware of and fully committed to their rights to quality health and environment. Nevertheless before any behavior can be changed, it is necessary to evaluate the current state of consumer's awareness and knowledge. Therefore consumer perception and attitude towards organic food products, willingness to pay for organic food products and intention to purchase organic food will be the main agenda of the study.

REVIEW OF LITERATURE

Environment-friendly products are gaining popularity among consumers because they are more aware of their health and protection of the environment. People who believe in health benefit taste and protection of the environment and believe to improve their lifestyle can be potential customers of organic food. Moreover, customers are willing to pay for the privilege of buying organic products (Mintu- Wimsatt and Bradford, 1995). Organic foods are those that are environmentally safe produced using environmentally sound methods that do not involve modern synthetic inputs such as pesticides, and chemical fertilizers do not contain genetically modified organisms, not processed using irradiation, industrial solvents or chemical food additives, (Andersen, 2007). The major shift in trend from inorganic food to organic food is having a great impact on Indian farmers and the Indian food industry. Many organic brands have come into existence in the last decade although the majority of Indian produced organic food is still being exported to US and European countries. Indians themselves are becoming aware of the benefits of organic food products and adopting it slowly (Chaithra Bharath, H.M C Chandrashekhar).

The perception and understanding of organic food production are based mainly on not using synthetic fertilizers and pesticides. (Somasundran et al, 2014). The intention to purchase organic products decreases with the limitation of knowledge and awareness towards the products, with many factors affecting consumer perception and attitude. In consumer behavior theory, the consumer makes their own decisions based on an individual's intention to perform a behavior which is influenced by attitudes (Ajzen, 1991). It has been found that more information about the organic food market, which increases consumer "organic food knowledge is important because it positively influences consumer attitudes towards organic food products (Gill and solar 2006; Briz and ward 2009). consumer purchase intentions for organic personal care products (Hee and J Y Chung, 2011). putting their money where their mouths are consumer willingness to pay for multi-ingredient, processed organic food products (Marvin, Neal, Timothy, Leremy)

According to the Article consumer perception of organic food products in India by Konda Kalyani stated that the global organic food market grew by 9.7% in 2009 to reach a value of \$60 billion. In the last 3 years, the global organic food market has grown by 25 %. In 2014, the global organic food market is forecast to have a value of \$96.5 billion, an increase of 60.7% since 2009. The fruit and vegetable segment generated 31.5% of the global organic food markets overall revenues. Currently, about 70% of organic agriculture items produced in India are being exported. Organic products fetch a 20-30% higher price than inorganic products in the world market. A study carried out by Padiya and Vala in Ahmedabad city illustrated that organic food consumers are less price sensitive, believers in quality and information; generally seek information from newspapers, magazines and the point of purchase. Nandagopal and Chinnaiyan (2003) conclude that the mode of purchase of products also affecting buying pattern and so the perception of consumer

RESEARCH METHODOLOGY

Research methodology involves visualizing the framework for the study to be conducted. It consists of research design, sampling design, deciding on the data collection, process and tools and finally the interpretation of data.

The study is based on both primary and secondary data. The primary data has collected from selected consumers by structured questionnaires to know the perception of the customer towards organic food and to find out various facilitating and obstructing constructs in organic food usage. About 130 respondents are considered for the survey. The secondary was collected from published journals, magazines, and the internet.

4. DATA ANALYSIS AND INTERPRETATION

Demographic factors

a) Age

20-30Y	79.4%
31-40Y	4.3%
41-50Y	13.5%
51-60Y	2.8%

TABLE 1

Interpretation:

The maximum respondents of the research are within the age between 20-30 Y i.e; 79.4% and the age between 31-40y is 4.3% and people between the age of 41-50 y is 13.5% and the age above 50y is 2.8% which is minimum.

b) Sex

Male	38%
Female	62%
Others	0%

TABLE 2

Interpretation:

As per the table, of the respondents 61.6% are female and 38.4% are male

c) Educational qualification

SSC	5%
UG	48.2%
PG	39.7%
Others	7.1%

TABLE 3**Interpretation:**

The above table shows that the maximum respondents are from the students from UG i.e; 48.2% followed by PG i.e; 39.7 %. SSC accounts for 5% and others which is 7.1%

d) Employment status

Student	60%
Employee	25%
Own business	3.6%
Home maker	11.4%

TABLE 4**Interpretation:**

From the above table, we can state that the maximum respondents are from students i.e; 60% followed by employees 25% followed by homemakers i.e; 11.4% and the minimum respondents are own business which is 3.6%.

e) Employee income

10000-20000	29.6%
20000-30000	27.8%
30000-40000	22.2%
40000-50000	5.6%
50000-60000	14.8%

TABLE 5**Interpretation:**

From the above table, we can state that maximum respondents are from the employees having monthly income 10000-20000 which is 29.6% and the minimum respondents are from the employees having monthly income 40000-50000 which is 5.6%.

f) Awareness

Yes	95%
No	5%

TABLE 6**Interpretation:**

According to the research maximum respondents are aware of organic products which are 95% and only 5% are not aware of organic products.

g) Level of awareness

LEVEL OF AWARENESS ON FOLLOWING DIMENSIONS:

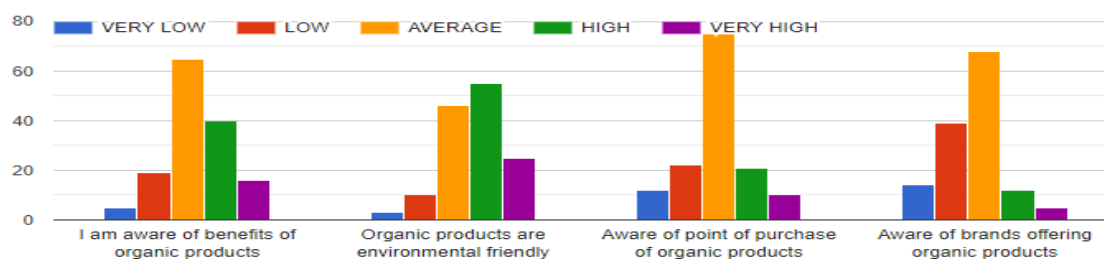


Fig3

Interpretation:

According to the research, there is an average level of awareness on the following dimensions

- I am aware of the benefits of organic products
- Aware of the point of purchase of organic products
- Aware of brands offering organic products.

And the respondents have a high level of awareness on dimension organic products are environmentally friendly.

h) Source of awareness

Friends and relatives	78%
Television	82%
Magazines	43%
Internet	80%
Newspapers	50%
Super market outlets	60%

TABLE 7

Interpretation:

The maximum source of awareness is from television followed by the internet. And then followed by friends and relatives, supermarket outlets, newspapers and magazines.

i) Are you consuming organic foods

Yes	70.4%
No	30.3%

TABLE 8

Interpretation:

Most of the respondents are consuming organic foods which are 70.4% and the rest are not consuming organic foods i.e; 30.3%.

j) How long they have been consuming

<6 months	33.9%
6-1 year	27.4%
>1 year	20.25
Others	20.2%

TABLE 9**Interpretation:**

As most of them are consuming organic products from past 6 months hence there is much awareness from that period of time. And there is not much difference observed from the past 6 months to more than 1 year.

k) Why they are preferring organic products

Health benefits	81.9%
Doctor prescriptions	14.5%
Environmental friendliness	34.8%
Others	5.8%

TABLE 10**Interpretation:**

By the above graph, the majority of them are preferring organic products mainly because of their health benefits followed by environmental friendliness followed by other reasons.

l) How often they are buying organic products

Once a week	24.4%
Once a month	33.3%
Few times a year	28.9%
Once a year	5.2%
Others	11.9%

TABLE 11**Interpretation:**

Most of them are buying organic products once a month which is 33.3% followed by a few times a year which is 28.9 %.

m) Point of purchase

Specialized organic food outlets	36.4%
Open markets	40.2%
Supermarkets	59.8%
Online	11.4%

TABLE 12

Interpretation:

Most of them are buying organic products once a month which is 33.3% followed by a few times a year which is 28.9 %.

n) What kind of organic products they are buying

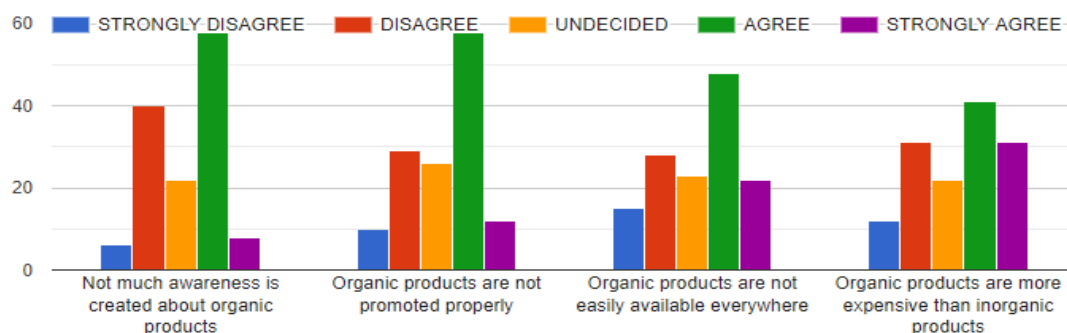
Fruits	66.9%
Vegetables	63.2%
Beverages	18.4%
Food grains	46.3%
Others	15.4%

TABLE 13**Interpretation:**

According to our research, most of them are preferring to buy fruits which is 66.9% followed by vegetables which are 63.2%

o) Statements

HOW DO YOU AGREE WITH THE FOLLOWING STATEMENTS:

**Fig 4****Interpretation:**

According to the above graph, we observed that most of them are agreed to the given all statements and most of them are strongly agreed that organic products are more expensive than inorganic products.

DISCUSSION**1) PRODUCT**

- We have reached the age of the health-conscious consumer increasingly people have begun to adopt a healthy lifestyle. Eating healthy and eating right are key pillars. It is essential that we make the right nutritional choices for ourselves and our families and these consumers have a serious concern about the integrity of the organic products and some may even doubt about the effectiveness of organic certification, so producers should carry a seal of an internationally recognized certification body

- The product should be reasonable quality, taste good, satisfying the taste preferences and be sold in attractive packages. The image and reputation of products origin should be good particularly regarding environmental issues. Products also should have a reasonable shelf life because of the time it can take for distribution.
- 2) **PRICE**
- The consumers generally price sensitive so the prices should be competitive for mass products and reasonable for premium quality organic products. Most of our respondents in the research says that organic products are more expensive than inorganic products.
 - The reason behind it as follows:

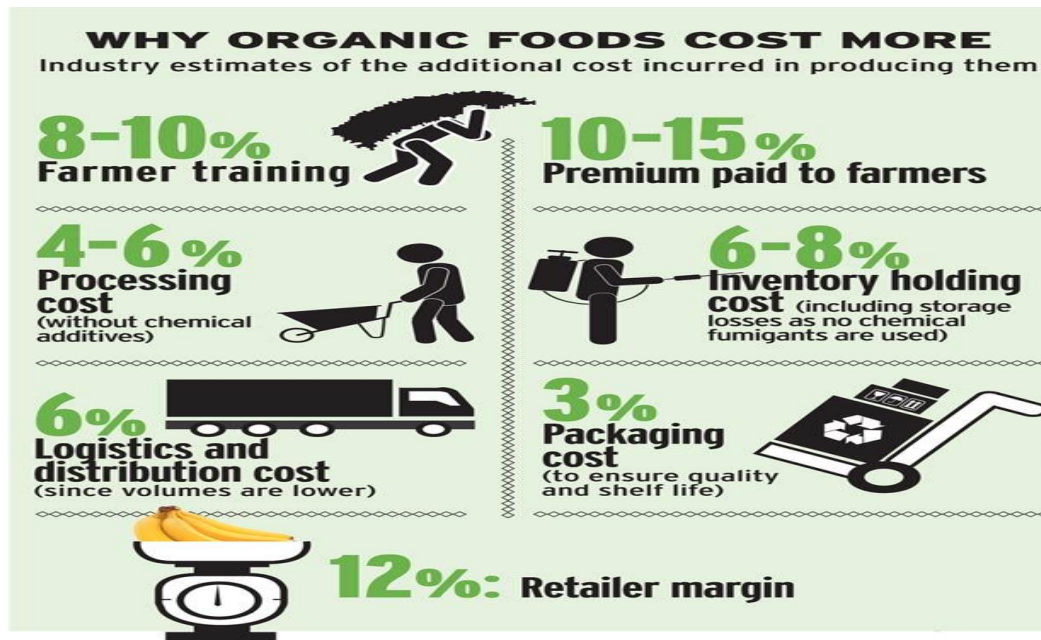


Fig 5

3) **PLACE**

- According to the research, most of the organic products are bought from supermarkets while some of the premium products are from some of the specialized outlets like Patanjali, Vishnu organics, natures root, etc.,

4) **PROMOTION**

- According to the research, most of the respondents agreed that organic products are not promoted properly so the marketers should focus on organic integrity and product quality especially if the product has unique nutritional and functional value and should have attractive packaging which doesn't need to be luxurious but should be clear and attractive.

FINDINGS

Majority of the respondents are female graduates belonging to the age group of 20-30 years and they are aware of organic products benefits. Point of purchases and consuming them. Brands offering organic products are average whereas there is much awareness about their environmental friendliness and this awareness is mostly created by television followed by the internet. Most of the respondents are consuming from past 6 months and buying them once in a month and preferring to buy fruits and vegetables from the supermarkets and the majority of the people strongly agreed that organic products are expensive than inorganic products.

LIMITATIONS

This study has been restricted to a particular area in Hyderabad. The survey is restricted to 140 respondents only. Time constraint. Most of the respondents are below 30 years and mostly students.

CONCLUSION:

Today in the modern era, environmental sustainability is growing at a faster pace where terms like sustainability, organic, green created a buzz in the society. As India is always an agriculture hub so organic farming is much crucial for India today where the society very excitedly welcomes these concepts and the people are in a path to change their lifestyle, food habit. Still, it is pity to know that where one group of people rushing up to change their whole life style to organic there we can note that there is a no pin sized shift in their food habit for the other group. No doubt we have received somewhat positive feedback from our sample respondents through a questionnaire. Finally, from our research paper, we conclude that organic products should be promoted properly. There would be much more awareness among the public if the government takes steps for conducting awareness programmes.

Here are some of the consumer challenges:

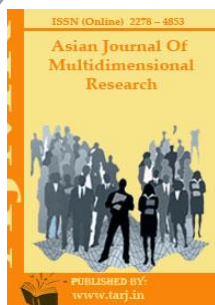
- I. **Lack of awareness about the usage of organic consumers among consumers.**
- II. **The high cost of organic food products**
- III. **Limited availability of organic food products**

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TRADITIONAL TOMATO SUPPLY CHAINS IN TELANGANA STATE OF INDIA: A STUDY OF DISTRIBUTION EFFICIENCY

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ABSTRACT

In Indian fresh produce supply chain distribution is dominated by the traditional practices. Due to the traditional practices, enormous losses incur to the chain partners. Whereas, due to various government initiatives the distribution system moving towards modernization. Now Indian systems look like the existence of both traditional and modern practices. This paper critically analyses supply chain practices in fresh produce distribution system emphasizing on grading, storage, packaging, buffer stock levels methods used for cultivation and use of pesticides. The objective of this paper is to highlight the practices and problems in the distribution system so as to governmental mechanism engage themselves in the strengthening of the system further. The study is conducted in Telangana state which is one of the higher producers of vegetable in the country.

KEYWORDS: *Agri Supply chain, farmers, fresh produce, performance*

INTRODUCTION

1.0 SUPPLY CHAIN MANAGEMENT IN AGRICULTURE

Agriculture supply chain involves a wide range of independent organizations consists of farmers, processors, traders, and retailers [1]. Supply Chain Management (SCM) is an essential tool for integrating the activities of various distributing entities within the distribution chain, in order to assure the consistent delivery of quality, assured produce quantity to the consumer [2]. Fresh produce means fruits, vegetables and root crops which are inherently perishable commodities and their physical distribution leads to considerable losses due to loss of its freshness and quality [3]. Hence their distribution is critical and sensitive. Traditional supply chains as a powerful force in the agricultural produce distribution system in India [4]. The Indian Fresh Produce supply chain is characterized by high cost, low quality, high levels of perishability [5]. It is reported that approximately 50 to 60 percent of quality is lost while produce transported from the farm to the customer in the fresh produce supply chain. The efficient supply chain management of practices in

fresh produce supply chain certainly benefits in terms of low price to customers and good profitability to producers; and high margins to intermediaries for value addition [6]. It is observed that the share of farmers in consumer price is a mere 30 percent whereas in developed countries it is as high as 70 percent [7]. Post-harvest losses vary significantly among commodities and varieties, in different regions and seasons. The wastage levels are as high as 24-40 percent but as low as 4 to 6 percent in developed countries [8]. Hence it is essential to evaluate the distribution efficiency in the newly formed of Telangana state.

2.0 OBJECTIVES OF THE STUDY

Traditional fresh produce supply chains are un-organized and provide a livelihood for millions of people. From last two decades, there is an increase in organized sector in farm produce retailing which is posing a high competition for the traditional suppliers and necessitates to redesigning supply chain, improving performance and ensuring sustainability in the market. Hence the current study is intended to know the fresh produce supply chain practices in Telangana, India and highlight the issues of farmer and supply chain partners to improve the production and profitability at farmer level. This is followed by a detailed list of recommendations that evolved from the findings of the study.

3.0 METHODOLOGY

This study is descriptive in nature and followed the survey method of data collection. To meet the objectives, Telangana state is chosen for this purpose based on the contribution of production and growing area to the national agriculture in last ten years and it is also one among the top five produces of tomato states in the country. The study is conducted in three districts for each produce namely, Rangareddy, Mahaboobnagar, and Medak. A total sample size of 300 farmers are drawn from the population. A questionnaire is designed for data collection from the target respondents to obtain views and level of agreement on the parameters pertaining to fresh produce distribution practices on open-ended questions and Dichotomous scale. The data is collected from the Agri-produce Marketing Committees (AMC) that is located in the selected districts where the respondents engage in fresh produce distribution. The supply chain practices are studied by using parameters such as Grading, Cleaning and washing, Cold logistics, Traceability, Use of pesticides, Transportation, Damage during transit, Delays in delivery, Price realization, Information on on-going prices, Relationships with organised retailers, Procurement of vital inputs, Consolidation agents, Packaging and Procurement of stocks by retailers.

4.0 OBSERVATIONS & DISCUSSION

The fresh produce supply chain parameters are analyzed. The observations are discussed under Grading, Cleaning and washing, Cold logistics, Traceability, Use of pesticides, Buffer stocks, Transportation, Damage during transit, Fill rate, Delays in delivery, Price realization, Information on on-going prices, Lost sales, Relationships with organised retailers, Procurement of vital inputs, Consolidation agents, Packaging and Procurement of stocks by retailers.

Grading: The findings of the study revealed that fresh produce is transported for sale even before grading, immediately after harvest from the farm fields to traders level in the supply chain. Grading determines the prices of produce at the trader's level. But, the farmer is compelled to sell his produce due to various genuine reasons. Some of the reasons for the trading of produce without grading may be attributed to the following:

- Fresh produce is susceptible to early ripening so that the shelf life will reduce and incurs huge losses to the farmers.
- Farmers exchange their produce for money at the earliest because of their commitments to repay loans or short term credit availed for cultivation activities.

Cleaning and washing: It was observed that cleaning and washing of produce to eliminate dust and foreign bodies are rarely done at the farmers' level before the sale of produce to traders in the APMC market. There is a myth that washing will speed up the tomato ripening process. The retailers' undertake cleaning activities limited to freeing of dust and plant debris. The prime reason for washing was to give a fresher appearance in order to gain customer attention.

Cold logistics: The study showed that cold chain facilities and related logistics for storage are not being used by the supply chain partners for fresh produce. Cold storage facilities are available at a minimal level but not used for tomato and banana. However, in the case of chilly, tamarind and other vegetable storage facilities are being used at the field level as it further enhances cost for the farmer. The organized retailers are well equipped with cold storage and cold transport in fresh produce distribution.

Chemical traceability information: The study on the cultivation methods and information management across the supply chain shows that the use of pesticides, fertilizers, and post-harvest management information are not being shared within the supply chain. Information on the source of procurement, date of harvest, instruments used in cultivation, residue level, field source is not furnished to the customer for better price realization. The traceability is essential for the better price realization for organic vegetables.

Use of pesticides: The study revealed that the lack of awareness at farmers' level on the usage of pesticides and government established standards on the same. This adversely affects the quality of produce and also the health of consumers due to high levels of residues.

Buffer stocks: The study revealed that a limited number of farmers hold buffer stock during the seasons, festivals or special occasions that too for a day or two, in order to realize better prices. However, as an increased quantity of buffer levels without proper storage conditions will result in reduced shelf life leading to increased losses. However, retailers hold buffer stocks for a relatively longer duration that is 2 to 5 days for obtaining a better price using minimal storage facilities at their level.

Transportation: Auto rickshaws and two-wheelers are used as means of transportation of fresh produce from the fields to the market which is more reliable and cost-effective. Farmers take precautionary measures in case of fresh produce transport by use of effective packaging of produce with plastic crates and plant leaves, which are traditionally followed and serve the purpose to some extent. Traders give greater importance for packaging while transporting to far destinations to enhance shelf life. They use transport modes like trucks, tractors, auto-rickshaws which are easily available.

Damage during transit: The study revealed that in the majority of cases the fresh produce is damaged during transit as a result of long waiting time, multiple loadings and unloadings. Fresh produce is damaged occur due to poor road conditions in rural areas, long traffic jams in cities, long distances, and adverse temperatures which act as contributing factors towards perishability during

transit. However, the users are generally satisfied with the services offered by the transport operators.

Fill rate: The study on fill rate at each level clearly indicates that there is 90 percent fulfillment of the basic demands at each level of the supply chain and leaving scope for reducing the unfulfilled demand about 10 percent. Majority of the retailers are able to supply the fresh produce within 12 to 24 hours. But, better coordination and information sharing can result in reducing the demand fulfillment time. The reasons for delays more than a day are due to harvesting delays, transport delays, weather conditions, and market work hours that are fixed.

Delays in delivery: The study found that a huge time gap between promised time and the actual time of delivery which is the delay in delivery time, an important determinant of the quality of supply chain and the extent of delay between the supply chain partners. Lack of coordination exists in the entire supply chain but sufficient levels of coordination exist between immediate supply chain partners. There is a need to reduce the delay in the delivery time of fresh produce at the respective supply chain partner levels.

Price realization: The study revealed that the fresh produce prices are highly volatile and are determined by the demand and supply forces. Prices are usually stabilized during the full harvest season and rise when the crop reaches end season. Prices are established by an auction system. When the supply of produce is high, the prices generally are determined by the agent itself. The role of farmers in fixing prices is very limited. Thus, the price of fresh produce is realized in different ways.

The farmers are well aware that the prices in their markets do not compare to other markets. There is no information mechanism that is provided by the government on surrounding markets to compare the prices. As of now, cordial relationships are maintained between individual partners in the supply chain, especially immediate entities, thus, enabling them to share information on prices of produce in different markets.

Information on on-going prices: The study also explored the knowledge sources for ongoing prices of fresh produce. On a regular basis, newspapers are a common media that provides information on prices. The study revealed that a majority of the respondents are not having any information about the prices in surrounding markets. The farmers dispose of their produce for a lesser price due to emergency situations that force them to exchange their produce for money. This also indicates that the farmer depends solely on the sale of produce to meet his day to day expenditures.

Relationships with organized retailers: The study observed that the organized retail firms approach a limited number of farmers who can address the demand of their nearest retail shops. The advantage of this kind of arrangement is the freshness of produce, fair prices, reduced market taxes, and perfect weight measurement. It is observed that the un-organised format of the supply chain has more potential in the distribution of produce rather than the organised sector. This situation is due to a lower expansion rate of organized retailing and their inability to work in rural areas due to high operating cost.

Procurement of vital inputs: The study also observed that in the fresh produce supply chain, the procurement of vital inputs like seeds, fertilisers, and pesticides play a vital role. When the input cost

is more it results in higher cost to the customer. The dealers charge much above the mark-up price that is determined by the government. They also reported that the formal co-operative set-up failed to function when there is a huge need for agricultural inputs. The private dealers, who are into agri-input trading, take maximum advantage out of the scarcity situation that prevails in the market. The farmers report that most of the dealers, sell their inputs on credit, hence, the farmer cannot raise any objection to the higher price charged by dealers. This situation is a result of minimum or negligible working capital that the farmers usually possess. On the whole, every farmer is finding difficulty in procuring desired agri inputs.

Consolidation agents: Consolidation agents collect a fixed amount from farmers or traders and work more or less as a trader but they will not have trader registration with AMC. The traders whose level of business is very high generally prefer to take the assistance of consolidation agents.

Packaging: Packaging plays a key role in protecting the produce from the adverse environment and unhygienic conditions that can damage the produce. About 75.5 percent of traders reported that packaging facilities are available in rural AMC and spot markets. These facilities are made available to farmers and consolidated agents by traders alone, for which the farmer pays a nominal charge. Thus, the packaging facilities are not available uniformly in all the AMC markets.

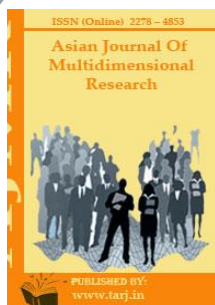
Procurement of stocks by retailers: Retailers procure their fresh produce from different sources depending on the distance and quantity. Retailers find more varieties in AMC markets and they buy in bulk quantities due to which the price options available are widened. These merchants buy bulk quantities from traders and sell their produce to retailers. Usually, retailers get fresh qualitative produce at an affordable price. The longer waiting time at the counter creates inconveniences to the customers.

5.0 CONCLUSION

The study observed that there are many supply chain in-efficiencies and handling errors that resulted in the huge losses at farmers and other entities in the fresh produce supply chain. As the lack of cold logistics and cold storage facilities in the villages, farmers transport and sell the produce at earliest in the nearest markets. Since farmers are unaware of chemical tractability which pivotal in Organic marketing, therefore unable to realize better price for their produce. There is a need for better information sharing among chain entities. The lost demand is one of the adverse effects of delay in delivery time of fresh produce. This can be addressed by establishing coordination and communication with transport operators and supply chain partners. The farmers dispose of their produce for a lesser price due to emergency situations that force them to exchange their produce for money. Farmers and customers are to be provided with different market prices to realize better prices in different markets of the state using ICT methods. The reasons for an emergency are mostly immediate household needs or timely preparation for the next crop or in the majority of cases due to short term credit/loan repayment commitments. Hence farmer working capital is to be arranged through the financial system to eliminate produce dispose of for less price. It is observed that most of the agriculture markets are lacking in infrastructures like auction platforms, road transportation, and lighting facilities which need to be addressed by developing marketing infrastructure and post-harvest technology in villages and manuals.

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BRANDED MYTHS

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ABSTRACT

People in India admire big brands and are always curious to buy a product from those big names. However, the Indian market for luxury items is growing massively but somehow they have to struggle with their brand names. Despite giving the best quality of products, the Indian name of that companies or brands loses customer interest. This is the biggest reason why so many companies and brands decide to go with a name that sounds International. Eventually, international names will attract more customers and become a big name in the Indian market. This thesis will help you get a clear view of the main reasons behind this scenario and the myth they've created using the names of their brands. The entire research is based on a keen observation of companies with different brand names under them and their performance comparison with relevance to their brand names. There will be a special focus on the apparel industry because, generally, people tend to purchase branded clothes to show off or to feel pride in their appearance. The main focus will be on Aditya Birla Group, which has been using this strategy for a long time and has been a pioneer in such strategies. The other industries which we focus on will be cosmetics.

KEYWORDS: Foreignphilia, Firangi, Colonial Mindset,

INTRODUCTION

When shopping for luxury products, most people often prefer going for brands from Europe, especially from France and Italy. This is because of the perception that brands from these countries are superior in terms of taste and quality. But if you were to look keenly, you'll realize that locally made Indian luxury products are in fact far much better. However, since you are dealing with an already biased market, you have to be a little smart in order to hook potential customers.

A couple of days ago a local retailer in the national capital territory came out with a brand by the name of Munich Polo and had the guts to pass it off as a German brand. The inventive businessman even carried a lively description of the rich cultural heritage of Munich on his website's Home Page

and, to drive home the point further, believe it or not, he created a few web pages in the German language!

I believe this can only happen in India and has everything to do with our inherited colonial mind-set. Indian consumers hopelessly fall in love with all hand-me-downs from the European and American markets, thinking those products, ideas or services are infinitely superior to ours.

For a brand, an image of quality and credibility is an extremely important asset and a key factor in a company's profitability and growth. In India, where locally produced brands are often seen as inferior, businesses consciously choose to build a "fake" foreign image for themselves. An abundance of foreign-sounding goods available at any high-end Indian mall makes it look as if India doesn't manufacture any consumer goods of its own. But is it really the case or merely a well-planned illusion?

THE HARSH REALITY

Imagine you went to a mall with 3000 bucks in your pocket to purchase a pair of jeans and saw two outlets with names Madhura fashions & Louis Philippe, with the same quality, shade, fitting, and price. Which outlet will the person opt for? Louis Philippe? Yeah! Of course, he'll opt, Louis Philippe, because, of the brand name and we see the pride in wearing foreign brands rather than Indian so that we can show it off to other people, right? Well, how many of you people know that the so-called Louis Philippe is an Indian brand and is manufactured by our very own Madhura fashions which is a subsidiary of Aditya Birla Group?

Here's a fact: if given a choice, an Indian consumer will buy a foreign brand instead of a domestic one. At its most basic level, this preference is sparked by prejudices against an Indian brand name, even though there is no valid reason to justify this bias. That's exactly what foreign branding is – the intention of certain brands to project themselves as foreign-based, so as to ensure they profit from this "*foreignphilia*."

If you hadn't known the antecedents of Woodland, you might have been coaxed into imagining it's an American brand. Launched by Aero Group of industries, Woodland carries the full feel and flavor of an international brand. It's evident in its name, product line, corporate identity, brand communication, models – the works! And keeping the allure are the highly stylized elements with the heavy use of firangi models. The Woodland site is also listed as Woodland International even though the company hawks its shoes only in the domestic market. The image is so cleverly cultivated that it reveals itself in the minutest detail as a brand's carefully worked-out positioning strategy.

The strategy is simple, they create a myth in your mind about the same products which they've been manufacturing for a long time with a name which seems to be a foreign brand. And that means adopting brand names that vaguely sounds Italian, French or even British. This has become a trend in the fashion industry especially in apparels where many local Indian sellers use such names as a marketing strategy either as a market skimming strategy or even as a market penetration strategy.

That being said, here are some brands you always believed were foreign but are purely Indian:

1. Louis Philipe

Louis Philipe is no doubt one of the world's leading brands of men's apparel. And while the brand may sound so French, it is totally Indian. It's only that the name is inspired by King Louis Phillipe,

who was king of France from 1830. The brand, *which is owned by Madura Fashion and Lifestyle*, was launched in the country back in 1989.

2. Monte Carlo

Monte Carlo is a premier clothing brand that specializes in men and women's apparel. It's well-known for its superior quality woolen apparels. As Italian, as it may sound, ***Monte Carlo is 100 percent Indian***. This woolen wear brand is actually from the Ludhiana-based Nahar Group. And it is doing well both locally and international.

3. Royal Enfield

Royal Enfield sounds like a brand that comes from the royal factories of Britain. But in the real sense, it is a motorcycle company that's based in Chennai. Royal Enfield is a subsidiary of Eicher Motors Limited, one of the leading auto manufacturers in India. Now you know the brand isn't British as you might have thought. *Royal Enfield has been manufacturing high-quality motorcycles since 1948.*

4. Allen Solly

While it sounds British it's an Indian brand which is again manufactured by Madhura Fashions lifestyle LTD by Aditya Birla Fashions. Which is established way back in 1990, in order to attract customers who are slowly tending towards the foreign brands at that time.

5. American Swan

This online shopping site dealing in clothing and fashion accessories might sound so American, but it's completely Indian. The company running the website is owned by The American Swan Lifestyle, which is headquartered in Gurgaon. It sells a range of products including jeans, jackets, sweaters, t-shirts, casual shoes among other accessories.

6. Lakme

Lakme is an Indian cosmetics brand *that's owned by Hindustan Unilever*. The company was started in 1952 as a subsidiary of Tata Oil Mills and has been manufacturing cosmetics for both local and international consumers since then. The name 'Lakme' is derived from the popular French opera Lakme, which ideally means Lakshmi. Apart from these, there are many other Indian brands which seem to be foreign like France Leone, Spykar, Onida, Voltas, FCUK, Park Avenue and many more.

OTHER ASPECTS:

And the name is just the beginning of the carefully crafted illusions (some would even call it deceptions). These companies hire foreign models to showcase their collections, which is why there are so many foreign models in India. After all, it is easier to perpetuate a pre-conceived notion of a foreign brand if foreign models are showcasing it. Brands like Duke, for instance, have been hiring foreign models for their collection because these models "help create an international feel for the brand," an image that an Indian model would not be able to project.

Fortunately for the companies, hiring an overseas model is not difficult. Many of them come to India as tourists and charge between 20,000 and 40,000 rupees (\$360 – \$720) for a day's shoot, while a famous Indian personality would charge a lot more.

Ad agencies that provide brands with foreign models concede that a number of them are tourists and don't have work permits. They get away with these assignments because there are no stringent checks within the modeling industry. This mostly happens in the case of mid-tier, small-budget brands. Some companies have actual statistics suggesting that hiring overseas models proved fruitful and has improved their sales tremendously. Cotton County, for example, faced declining sales, which were revived once they brought in foreign models. It cannot be merely coincidental that brands like Van Heusen, Louis Phillipe, and Allen Solly have never hired Indian models.

REASONS: All of these are part of a false branding for which people like us are falling for and they've been reaping profits of our lack of knowledge regarding their false branding, some of the reasons might be as follows

1. We always want to live the premium and never care about the quality of that product when it is a branded product.
2. People always feel products which are from foreign nations are deemed to be quality products and that's why the companies like Aditya Birla are changing their brand names which seems to be foreign.
3. Lack of awareness among people regarding these products.
4. Advertisements which showcase foreign nationals so that people would get more convinced that their product is a premium and foreign brand.
5. To get international and compete at the global level, companies may set their names in such a manner.
6. Influence of western culture and want to adopt their lifestyle.
7. The old colonial mindset still prompts us to believe that anything that comes out of the West is the best!

CONCLUSION

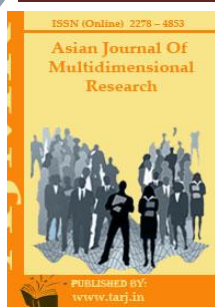
This trend will only increase. Indian pride movements are on the back burner today, and brands are getting bolder in embracing foreign-sounding names. As the world becomes a flatter place to live and operate in, Indian brands will want identities that are more global than local. The more global your brand name sounds, the wider will be your audience as well. Look at brands that you find in the alcohol category. Every whiskey wants to sound British, and every vodka wants to sound Russian or East European!

While this trend is not something new, the intensity has increased substantially in recent times. As you start moving ahead, everything we do, are typically more Western in origin — be it drinking wine or traveling overseas. It is important that foreign-sounding brands live up to their promise, cause if they fail to live up to the expectations, in the end, it is a disaster campaign as they will be in comparison with the original foreign brands.

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A FRAMEWORK FOR TOURISM AND TOURIST DESTINATION FOR SUSTAINABLE GROWTH

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ABSTRACT

There is currently no widely accepted definition of the term tourist destination. A Tourist destination is a place of interest where tourists visit, typically for its inherent or exhibited natural or cultural value, historical significance, natural or built beauty, offering leisure and amusement. Tourism is not merely a business for providing pleasure and rest. It has now grown into a big industry. Every year thousands of tourists visit a destination or region as to get that pleasure or to get that experience of visiting a new place, as a result, we earn a lot of revenue, Tourism is the act of going for joy and roaming particularly in an unknown destination. Moreover, it is a sorted out adventure amid which a few spots are visited. However, tourism is not just confined to humans traveling to new locations; Tourism isn't just a business for giving joy and rest. It has now developed into a major industry these tourists are distinguished based on some evaluation, such as how frequently a tourist visits, how many days a tourist stays over and over again; this paper here gives a glimpse of tourist's types and types of tourism which are ongoing in the present world.

KEYWORDS: *Tourists, Visitors, Destinations, Tourism, and Travelers*

INTRODUCTION

The big complication of tourism is managing tourism and tourist's sustainable tourism has to be based on local resources and capacities. These local resources include assets directly linked to tourism, such as accommodation or tourism offers as well as natural and cultural assets, agriculture, infrastructure and human resources that are indirectly related. The coordination of these factors is not an easy task.

Tourism is a social-cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business or professional purposes, these people have various names as visitors and many other names such as tourists or excursionists.

Tourism is the practice of traveling for pleasure, thrills, or experience of visiting a place, especially on one's holidays. It is an organized journey during which several places are visited. The main dimensions of tourism are vision, common goals, and active development strategies made applicable by compilation into a tourism program. Such a program details the possible opportunities to develop tourism in a region within the destination. Based on detailed information about the local environmental, social, cultural, political and legal aspects, it helps the locally authorized personnel to identify a common vision for tourism development which covers a certain kind of tourists and describes him as to attract similar tourist to the destination.

Tours and holidays are the necessities of a modern busy life. Gone are our peaceful and leisurely ways of life. Instead, we have now to lead a busy and hurried life. In our daily life, we have to work very hard while discharging our duties and responsibilities. We also have to respond to various calls coming from home and outside.

Fast transportation and technological advancement have led tourism a major sector to earn revenue whether international and domestic. Improvements in land transportation, especially high-speed road and rail systems, also took place in many countries. Along with transportation improvements, other factors giving impetus to travel were: increased incomes of a substantial number of people resulting from the economic development, raising educational levels, provision of vacation periods and lengthening of vacations for a large number of workers, the increasing popularity of holiday travel, and the rapid growth of international business travel. Further stimulus was provided for the growth of long-distance tourism with development.

Background of the study

Tourist destinations, services, and industry

Tourist destinations can be defined by their geographical location, the scope for tourism activity and different characteristics of their sites a tourism destination caters the basic amenities of tourists with the base attraction of the place. However, few tourist destinations are multifunctional in nature providing a wide range of tourism aspects in their surroundings.

Tourist services are concerned with providing various levels of services to the tourist! Traveler in the course of his/her journey. These services are provided by service providers like travel agents, tour operators, agencies, etc.

Understanding tourism as an industry facilitates various segments of tourism services which are interlinked to each other, creating a platform for this fast-growing industry.

- **Natural Interest Areas**

Nature has developed a number of areas almost in every part of the world attracting people to enjoy the gift of nature through the phenomena of tourism. Besides mountain and hill resorts, beaches and river-side resorts, the natural interest areas also include various adventure sports place where a variety of adventure sports like mountain trekking, snow sporting, paragliding, and water sporting can be done.

These natural interest areas are developed by utilizing a suitable geographical location for nature tourism and providing the resources to these areas for promoting tourism.

These natural interest areas are developed by utilizing a suitable geographical location for nature tourism and providing the resources to these areas for promoting tourism. The Himalayas in the

northern part, Nilgiris in the south, Arawallis in the Western Ghats and the exotic high hills in the north-east are beautiful examples best known for nature ' tourism.

- **Wildlife Tourism Destinations**

Biological diversity has played a vital role in the development of wildlife tourism in the form of sanctuaries, wet land, all types of national parks and wildlife reserves and an unlimited range of flora and fauna around the world.

India is one of the top wildlife tourist destinations providing a wide variety of wilderness tourism destination. The wildlife tourism destination in India has a range starting from the Kashmir valley in the north to Periyar and Bandipur National Parks in the south and Kaziranga National Park of Assam to Ranthambore and Girr in the western part of India.

The likes of Bandhavgarh, Corbett, Kanha, Betla, and Sunderban add variety to wildlife tourism throughout the country. People from all parts of the world enjoy the beauty of nature along with the rare and diminishing species; of the animals and the birds.

- **Heritage Culture as a Tourism Destination**

Heritage cultural centers are the backbone of the Indian tourism industry. Tourists across the world visit India every month to enjoy the unity and diversity of Indian culture. Festivals in India are celebrated at the pace of almost every day of the year, as India has a great diversity in the culture, customs and tradition offering tourists the choice of various locations and time schedule as per their fondness. The heritage culture destinations lie into the likes of havelis, royal palaces and forts and the exotic old-era historical monuments blending with the colorful Indian culture providing eye-catching memory to the visitor. Historical symbols like Taj Mahal, Qutub Minar Ajanta and Ellora caves, India Gate, Sanchi Stupa and celebrations like Holi, Diwali, Eid, Pongal, Baisakhi show the depth in Indian Heritage and culture promoting it's to a tourist destination.

Types of tourists

A tourist is a person who travels to a country other than his/her country of origin or moves to a place within the country of origin but outside his/her normal environment for a minimum of 24 hours and not exceeding one year. Table 2.4 lists the differences between the various types of tourists. A tourist can be classified as follows:

- 1) **Visitor:** A visitor is a person visiting another country or his/her own country for less than one year without any purpose of work being paid for. A visitor can further be divided into external visitor who travels to a country other than his/ her origin country where he/she resides, whereas the second type of visitor, i.e. internal visitor travels within the vicinity of the origin country or the country of residence.
- 2) **Traveler:** A traveler is a person who moves from one location to others; in other words, it refers to a person on any tour or trip between two or more places. A traveler could be a tourist, but all travelers cannot be considered as tourists as the purpose and time duration of the trip cannot allow them to be put into the tourist category. The examples of these travelers include diplomats, workers, nomads, etc.
- 3) **Excursionist:** An excursionist refers to a temporary visitor who visits a place for less than 24 hours; so as per the definition of a tourist, excursionist cannot be considered as a tourist as they are the same-day visitors to a place. The examples for these kinds of visitors may include a one-day (less than 24 hours) excursion tour of a school or college students.

Table showing Differences between Various Types of Tourists

Basis	Visitor	Traveler	Excursionist
Visits	Visiting another country or his own country	Visiting between two or more places	Visiting any place from the normal place of origin
Time duration	Less than one year	No limits	Less than 24 hours
Purpose	Any exercise other than the purpose of being paid for	Any purpose	Outing or hanging out or pleasure trip

TABLE 1**Types of tourism**

There are various types of tourism, which are discussed below in detail

1. Intra-regional Tourism

This is the type of tourism in which the tourist traffic flows to and from countries of the same region of the globe. So, in other words, we can say that intra-regional tourism is an important component of international tourism as the flow of the tourist goes internationally between two or more nations of the same region. This type of tourism is highly adopted or significantly seen in the developed countries/regions of the world while developing nations are comparatively less influenced by this form of tourism. However, it is observed that the importance of intra-regional tourism may vary from region to region or country to country.

2. Interregional Tourism

Inter-regional tourism refers to the tourism practice where the flow of tourist goes from one region to another region internationally. This is also a kind of international tourism as the movement occurs between two or more different regions of the world. Moreover, this type of tourism focuses on integrated development and equitable distribution of income.

3. Inbound Tourism

This type of tourism refers to the condition where a tourist is entering into a country. Here, a person is entering into a country other than the origin country, making him inbound for this new tourism environment.

4. Outbound Tourism

This situation belongs to a tourist who is leaving his/her country of origin for another country. Here, the person leaves the country of origin for another country/destination, becoming outbound.

5. International tourism

This kind of tourism is the movement of inbound and outbound tourists across the borders, where tourists are exploring a new tourism environment, entering into a new country (inbound) or by leaving their country of origin for experiencing new destinations (outbound). In both the cases, the borders of nations have been crossed by the tourists calling it 'international tourism'. This type of tourism requires various kinds of legal and financial formalities like of having a valid passport and visa with the tourist. Currency exchange is another formality that needs to be met by the tourist.

There are several other barriers in this tourism, as the tourist moves into an unusual environment where he/she faces language culture, social and political changes.

6. Domestic Tourism

This type of tourism activity refers to the condition where the tourist of a given country, moves within the boundary of his/her origin country. In this type of tourism activity, borders of nations are not crossed by the traveler, he/she moves within the country of origin; or in other words, we can say that it is the tourism of resident visitors within the economic territory of the country. In fact, it is easy to explore tourism activity in domestic tourism, as there is no change in currency and language. It also does not require any documentation formalities like visa and passport and immigration.

7. Alternative Tourism

This type of tourism can be defined as 'tourism which allows both guest and host to enjoy positive and worthwhile interaction through natural, social and community values'. Butler has observed that this tourism is developed among the local people who travel to relatively remote, undisturbed areas with the objective of admiring, studying and enjoying the scenery and its wild plants and animal and various cultural attributes. This tourism also involves the conservation of the environment and its sustainability and well-being of the locale. Such tourism is spread at a very small scale, and accommodation for the tourist is locally arranged with very limited facilities. The phenomenon of tourism under this category is totally different from all other forms and types of tourism. The travelers/ tourists performing alternative tourism like to do things differently They do not prefer the usual mode of tourist accommodation, food and catering services, transport facilities and various other services. Alternative tourism is explored with local friends and people knowing the social, cultural, political and religious tourism environment of the area. With a wide range of variety in Indian geographical, social, religious and traditional outline, it is becoming one of the major alternative tourism destinations.

CONCLUSION

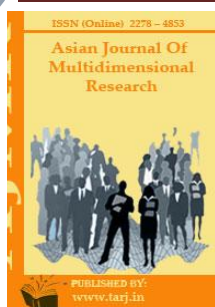
Tourism creates opportunities to develop new amenities and recreation facilities that would not otherwise be viable in a community. Tourist expectations can upgrade service by local shops, restaurants, and other commerce operators. Tourist traffic in a community creates an opportunity for upgraded fire, police, and medical protection that also benefits residents.

Directing tourism growth toward local needs, interests, and limits can greatly enhance tourism's value to the community and help create a sustainable industry. Many small regions have resources for successful tourism development. Creating a local tourism industry is not a discouraging task, but making tourism really on top form the local authority requires work. Creating a successful and sustainable tourism industry is like creating any successful and sustainable economic activity

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CUSTOMERS PERCEPTION AND CUSTOMER EXPECTATIONS: A COMPARATIVE STUDY OF HEALTH INSURANCE COMPANIES IN INDIA

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ABSTRACT

The aim of this study is to check the 'service quality' among health insurance policyholders in India. Data is collected through a standard structured questionnaire prepared by Parasuraman and Zeithmal (1988), circulated among 160 customers of private and public health insurance customers. Data analysis is done through descriptive statistics and ANOVA. The study found that Service Quality factors, viz. Tangibles, Reliability, Responsiveness, Assurance, and Empathy have a significant relationship in mean Perception of Services. The findings of the study and the implications are discussed here. Health insurance falls under Non-Life insurance category. Indian government after the independence passed a bill on Employees state insurance Scheme (ESIS), 1948 in order to protect workers in the organized sector. The union government of India then started a scheme, the Central Government Health Scheme (CGHS) in the year 1954 to cover central government employees and their dependents.

KEYWORDS: Health Insurance, Service Quality, Tangibles, Reliability, Responsiveness, Assurance, and Empathy. The

INTRODUCTION

The Indian government is spending 1.2% of GDP for the financial year 2018 on the health care sector. The new health policy set a goal to increase it to 2.5% by 2025. It could reduce out of pocket spending of the general public from 70% to 63%. The new scheme was named as the Ayushman Bharat Programme and The National Health Protection Scheme was announced by the union finance minister in a budget meeting, 2018. Health insurance Scheme will be covering 10 crore families with a coverage of Rs 5 lakh per family. It may cover approximately 50 crore members. It had a fund allocation in the previous financial year (2017) to the tune of INR. 47353 crores and in the current

financial year (2018), the funds allocated were INR. 52,800 crores: an increase of 11.5%. It is a leading indicator of the development of the health care sector and the health insurance sector in India.

Insurance density is measured as the ratio of premium to the total population. Non-life insurance density during 2007-08 was 6.2 and 2016-17 was 13.2, the cumulative growth rate is 7.85% on other hand Health insurance density during 2007-08 was 1.09 and 2016-17 was 3.56, the cumulative growth rate is 12.55%. Health Insurance business performance is better than the Non-Life business.

Insurance penetration is measured as the ratio of premium (in USD) to GDP (in USD). Non-life insurance penetration during 2007-08 was 0.6 and 2016-17 was 0.77, the cumulative growth rate is 2.53% on other hand Health insurance penetration during 2007-08 was 0.1055 and 2016-17 was 0.2075, the cumulative growth rate is 6.99%. The health insurance business is outperforming the Non-Life business.

Health insurance in India was first introduced in the year 1912. Insurance act of 1938 has classified insurance business into Life insurance and Non-Life insurance. Health insurance falls under Non-Life insurance category. Indian government after the independence passed a bill on Employees state insurance Scheme (ESIS), 1948 in order to protect workers in the organized sector. The union government of India then started a scheme, the Central Government Health Scheme (CGHS) in the year 1954 to cover central government employees and their dependents.

The government then thought of nationalizing insurance sector which initially started with life insurance in the year 1956 and then moved to Non-Life in the year 1973 and formed General Insurance Corporation (GIC). GIC had four subsidiary companies namely, The New India Assurance Company Limited (NIA), The Oriental Insurance Company Limited (OIC), United India Insurance Company Limited (UIIC) and National Insurance Company Limited (NIC).

The central government introduced Mediclaim policy in the year 1986 for the public through public sector insurance companies (GIC). This is a Voluntary Health Insurance Scheme available to the public on payment basis. It allowed for deduction from income tax under section 80D up to Rs 50,000 (FY.2018-19). Malhotra committee was established in the year 1993 to initiate reform in the financial sector and later in the year 1994 for de-tariffication (liberalizing) of health insurance products pricing.

Indian Insurance Industry privatized in the year 1999 by formulating the IRDA. Insurance business opened to the private player, foreign players and joint venture. IRDA was formed in order to regulate insurance sector and protect policyholder's rights. Currently, Health insurance is offered by 50 companies of which life insurance companies are 23 and 27 general insurance companies (including Six Standalone health insurance companies). There is stiff competition for the voluntary health insurance business in India.

IRDA has opened to private Life insurers to offer long-term health plans in the form of 'Combi products', a combination of term plan and health plan (as IRDA guidelines) but not indemnity health insurance product. Currently, 23 private life insurers, 27 private Non-life insurance companies (includes six standalone health insurance companies) offer health insurance schemes. They offer 500 plus innovative products to meet customer needs.

REVIEW OF LITERATURE

Berry (1980) service is described as deed, act or performance. 'Services are deeds, processes and performances' defined as Zeithaml and Bitner (2000). Parasuram et al (1985) listed out unique characteristics that separate goods from services are intangibility, heterogeneity, inseparability and perish ability (IHIP).

Bitner, M.J. and Hubert, A.R. (1994) have defined Service quality as the customer's impression of the relative inferiority/superiority of a service provider and its services, reflect customers overall attitude towards the insurance companies. In the past, many researchers have deliberate service quality and stated relationship with the overall performance of the companies. Lewis & Booms (1983) suggests, in the service industry, definitions of service quality focus on meeting customers' needs and requirements, and how well the service delivered meets customer's expectations.

Service quality is measured as the differences between customer's expectations of services, provider's performance and their assessment of the services they received. Service quality can be defined as the difference between customer's expectations for service performance prior to the service encounter and their perceptions of the service received. Several studies have been conducted to identify traditional service quality dimensions that contribute most significantly to relevant quality assessments in the traditional service environment (Parasuraman et al., 1985, 1988). classification of the determinants of service quality is necessary in order to be able to specify measure, control and improve customer perceived service quality. Parasuraman et al. (1985) acknowledged 10 exhaustive lists of determinants of service quality through focus group discussion they are tangibles, reliability, responsiveness, communication, access, competence, courtesy, credibility, security, understanding/knowledge of the customer. Afterward, these ten dimensions are filtered into five dimensions- tangibles, reliability, responsiveness, assurance, and empathy to measure service quality, SERVQUAL (Parasuraman et al, 1988). They are stated as follows:

a) Tangibles

These are Physical facilities, Physical infrastructure, Physical equipment, physical layout and appearance of people and communication materials in the organization. These tangibles attract customers and retain customers.

b) Reliability

This refers to the degree to perform the promised service, dependably and accurately. Offering services timely and error-free services.

c) Responsiveness

This refers to the degree to which the willingness to help customers, offer prompt services, accurate services and provide fast & quicker services.

d) Assurance

This refers to knowledge, skills, and competency and courtesy of staff, effective communication and their ability to inspire & build trust among the customers.

e) Empathy (including access, communication, understanding the customer)

This refers to Caring and individualized attention that the firm provides to its customer. Offering customized solutions to the customer.

Siddiqui and Sharma (2010) assessed customer satisfaction with the service quality of life insurance service providers. They surveyed 60 respondents across India. They had identified six dimensions of service-quality through structured questionnaires arranged as per ranking. Results were as follows - Assurance, Personalized financial planning, competence, corporate image, tangibles and technology in life insurance. The study concluded that 'satisfaction with agents' correlated with assurance and personalized financing planning. Secondly 'Satisfaction with functional services' correlated to personalized financial planning, competence, corporate image, and tangibles. Thirdly 'Satisfaction with company factors' correlated to competence, corporate image, tangibles and technology in life insurance.

Shukla (2011) examined people perception of life insurance companies. The customers' expectations were measured using RATER scale, (factor analysis) reliability, assurance, tangibility, empathy, and responsiveness. The respondents have taken life insurance for various reasons like risk cover, tax savings, investments, and savings. He concluded that there is a significant difference between perceptions and expected results. Mohammad Ishfaq et.al (2015) has assessed the quality of service from health insurance customer's perspective of Saudi Arabia. They have concluded that there is no gap analysis between expectation and perception in tangibles, responsiveness, assurance, and empathy. There is a gap analysis between expectation and perception in Reliability.

Research Question

Does the Service Quality factors Decision Making influence the consumer behavior of health insurance policy?

RESEARCH METHODOLOGY:

Need for the Study:

The study was conducted to find out the Service Quality Factors Influencing Purchase Decision making while acquiring a health insurance policy.

Objectives of the Study:

The aim of the study was to check various the Service Quality factors influencing on the Purchase Decision making in Health Insurance in India.

Hypotheses

H₀₁: There is no difference in mean perception score and mean expectation score of Public Sector Health Insurance Company

H₀₂: There is no difference in mean perception score and mean expectation score of Private Sector Health Insurance Company

Study Site:

The study was conducted in the Jagital district of Telangana state, India

Nature of Study:

The study is purely explorative and conclusive in nature.

Data Collection Method:

The study took into consideration both primary as well as secondary data. The primary data was collected through a set of structured questionnaires and the secondary sources consisted of a review of websites, books, and standard journals.

Questionnaire Development:

Initially, the rough-cut of questionnaires were developed through polite interactions with local customers and agents in the insurance market. Thereafter, the closed-ended questionnaires were designed and fine-tuned in *three* parts. The first part consisted of general questions related to Name, Address, Age, Gender, Income Level, Occupation and Marital status. The second part related to Purchase of health insurance policy, Company name, premium, and coverage. The third part used the Likert's scale to cover the five of Service Quality factors, *viz.*: reliability, assurance, tangibility, empathy, and responsiveness.

The Sample:

The sample of the study consisted of 160 customers to whom the structured questionnaires were distributed for Data Collection of which only 160 samples were considered were customers of Public insurance company and the private insurance company. In a population, every sample is given equal opportunity for all respondents present in this district. This study uses the Multi-stage random sample as a method of the sample and Snowball sampling. The municipal areas are identified for the survey is in Jagital Town, Dharmapuri, Korutla, Metallic and Raikal localities from this district. The working population data are chosen from digital district 5,36,436. These samples are selected based on the judgmental basis with the help of agents (public health insurance companies) and marketing executive (private health insurance companies). The study assumes a 10% margin of error and confidence level at 99%. The sample size is as per calculated value 160 working people. Samples considered are those who have purchased health insurance either public health insurance or private health insurance.

Sampling procedure:

The respondents were selected within the specified strata, based on their convenience and cooperation.

The Field Work:

The questionnaires are given to customers in the Jagital District (comprising Jagital Town, Korutla, Metallic and Raikal localities) and interviews were conducted.

Statistical Tools Used:

The following study tools were used: Descriptive Statistics, one way ANOVA and Reliability and Validity tests.

Period of the Study:

The survey was conducted from June to September 2018.

Scope of the study

The study proposes to analyze the two leading insurance companies operating in the domain of health insurance. The selection of the sample is based on a larger market share in the Non-life insurance market. The New India Assurance Co Ltd is a leading player in public insurance company

with the highest market share of 15.6 percent. ICICI Lombard having a market share of 8.81 percent and market leader in private health insurance as of November 2017.

Limitation of the study:

The study was conducted within the Jagital district and with a sample of 160 respondents only.

Data Analysis and Interpretation:

TABLE 1 ANOVA BETWEEN HEALTH INSURANCE CUSTOMERS PERCEPTION TOWARDS SERVICE QUALITY

Variables	Companies	Mean	Variance	F	F crit	Sig.
Tangibles	Public	3.525	0.426582	1500.297	3.900989	1.46E-82
	Private	3.71875	0.981606	651.9927	3.900989	5.92E-58
Reliability	Public	3.44	0.674835	948.3794	3.900989	1.15E-68
	Private	3.64	0.983696	650.6074	3.900989	6.78E-58
Responsiveness	Public	3.375	0.28481	2247.111	3.900989	2.52E-95
	Private	3.69375	0.757872	844.47	3.900989	2.81E-65
Assurance	Public	3.384375	0.283139	2260.375	3.900989	1.63E-95
	Private	3.679167	0.623435	1026.57	3.900989	5.19E-71
Empathy	Public	3.44	0.429772	1489.161	3.900989	2.48E-82
	Private	3.729375	0.734981	870.7713	3.900989	3.62E-66

a) Tangibles

These are Physical facilities, Physical infrastructure, Physical equipment, physical layout and appearance of people and communication materials in the organization. These tangibles attract customers and retain customers.

Public Sector health insurance: The mean value is 3.525, the variance is 0.42, F value is 1500, F critical value is 3.900 and P value is 1.46E-82. It showed p-value is 0.0000 is lesser than 5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is a difference in Tangibility, mean perception score and mean expectation score of Public Sector Health Insurance Company

Private Sector Health Insurance Company: The mean value is 3.78, the variance is 0.98, F value is 651.99, F critical value is 3.900 and P value is 5.92E-58. It showed p-value is 0.0000 is lesser than 5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is a difference in Tangibility, mean perception score and mean expectation score of Private Sector Health Insurance Company

b) Reliability

This refers to the degree to perform the promised service, dependably and accurately. Offering services timely and error-free services.

Public Sector health insurance: The mean value is 3.44, the variance is 0.67, F value is 948.38, F critical value is 3.900 and P value is 1.15E-68. It showed p-value is 0.0000 is lesser than 5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is a difference in Reliability, mean perception score and mean expectation score of Public Sector Health Insurance Company

Private Sector Health Insurance Company: The mean value is 3.64, the variance is 0.98, F value is 650.60, F critical value is 3.900 and P value is 6.7E-58. It showed p-value is 0.0000 is lesser than 5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is a difference in Reliability, mean perception score and mean expectation score of Private Sector Health Insurance Company

c) Responsiveness

This refers to the degree to which the willingness to help customers, offer prompt services, accurate services and provide fast & quicker services.

Public Sector health insurance: The mean value is 3.37, the variance is 0.28, F value is 2247.11, F critical value is 3.900 and P value is 2.52E-95. It showed p-value is 0.0000 is lesser than 5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is a difference in Responsiveness, mean perception score and mean expectation score of Public Sector Health Insurance Company

Private Sector Health Insurance Company: The mean value is 3.69, the variance is 0.75, F value is 844.47, F critical value is 3.900 and P value is 2.8E-65. It showed p-value is 0.0000 is lesser than 5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is a difference in Responsiveness, mean perception score and mean expectation score of Private Sector Health Insurance Company

d) Assurance

This refers to knowledge, skills, and competency and courtesy of staff, effective communication and their ability to inspire & build trust among the customers.

Public Sector health insurance: The mean value is 3.38, the variance is 0.28, F value is 2260.38, F critical value is 3.900 and P value is 1.63E-95. It showed p-value is 0.0000 is lesser than 5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is the difference in Assurance, mean perception score and mean expectation score of Public Sector Health Insurance Company

Private Sector Health Insurance Company: The mean value is 3.67, the variance is 0.62, F value is 1026.57, F critical value is 3.900 and P value is 5.19E-71. It showed p-value is 0.0000 is lesser than 5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is the difference in Assurance, mean perception score and mean expectation score of Private Sector Health Insurance Company

e) Empathy (including access, communication, understanding the customer)

This refers to Caring and individualized attention that the firm provides to its customer. Offering customized solutions to the customer.

Public Sector health insurance: The mean value is 3.44, the variance is 0.42, F value is 1489.16, F critical value is 3.900 and P value is 2.48E-95. It showed p-value is 0.0000 is lesser than 5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is a difference in Empathy, mean perception score and mean expectation score of Public Sector Health Insurance Company

Private Sector Health Insurance Company: The mean value is 3.72, the variance is 0.73, F value is 870.77, F critical value is 3.900 and P value is 3.62E-66. It showed p-value is 0.0000 is lesser than

5% level of significance. It is statistically significant hence the null hypothesis is rejected. Accept alternative hypothesis. There is a difference in Empathy, mean perception score and mean expectation score of Private Sector Health Insurance Company

CONCLUSION:

The study found that the majority of HI policyholders were male and married; between 41-50 years of age, were employees of private enterprises, having income levels between 5 to 7.5 lakhs, the premiums paid were between Rs 15,000 to 30,000, preferred to be family floaters and work in private companies, the sum assured was Rs 2 to 5 lakhs and covered inpatients. This study was conducted with the objective to check 'service quality Factors' Influencing Purchase Decision Making among health insurance policyholders in India. Data was collected through structured a questionnaire administered to 160 customers. Data analysis was based on the 160 respondents' feedback with help of 22 questions related to service quality, those factors classified into five factors, reliability, assurance, tangibility, empathy and responsiveness. There is a difference in reliability, assurance, tangibility, empathy, and responsiveness, mean perception score and mean expectation score of Private Sector Health Insurance Company. There is a difference in reliability, assurance, tangibility, empathy, and responsiveness, mean perception score and mean expectation score of Public Sector Health Insurance Company.

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Annexure 1: Gaps between Perceptions and Expectations towards Service Quality expressed by Health insurance customers

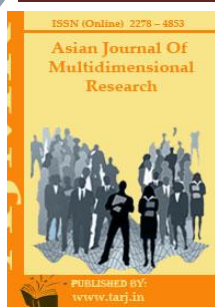
Q.No.	Public Sector Health Insurance			Private Sector Health Insurance		
	Mean Perception	Mean Expectation	SERVQUAL Score	Mean Perception	Mean Expectation	SERVQUAL Score
1	3.425	4	-0.575	3.7	4	-0.3
2	3.775	4	-0.225	3.7125	4	-0.2875
3	3.525	4	-0.475	3.7375	4	-0.2625
4	3.375	4	-0.625	3.725	4	-0.275
5	3.3625	4	-0.6375	3.6375	4	-0.3625
6	3.5125	4	-0.4875	3.6875	4	-0.3125
7	3.4125	4	-0.5875	3.6375	4	-0.3625
8	3.575	4	-0.425	3.6375	4	-0.3625
9	3.3375	4	-0.6625	3.6	4	-0.4
10	3.5375	4	-0.4625	3.6125	4	-0.3875
11	3.3875	4	-0.6125	3.7625	4	-0.2375
12	3.2625	4	-0.7375	3.8375	4	-0.1625
13	3.3125	4	-0.6875	3.5625	4	-0.4375
14	3.425	4	-0.575	3.8125	4	-0.1875
15	3.2625	4	-0.7375	3.658228	4	-0.34177
16	3.4125	4	-0.5875	3.620253	4	-0.37975
17	3.4375	4	-0.5625	3.6	4	-0.4
18	3.3875	4	-0.6125	3.620253	4	-0.37975
19	3.4	4	-0.6	3.725	4	-0.275
20	3.4625	4	-0.5375	3.875	4	-0.125
21	3.4125	4	-0.5875	3.7875	4	-0.2125
22	3.5375	4	-0.4625	3.625	4	-0.375

Annexure 2: Individual Demographic Factors and HI Policy Details

	N	%		N	%
Gender			Marital status		
Male	130	81	Married	155	97
Female	30	19	Single	5	3
Age			Occupation		
21-30	45	28	Self employed	12	8
31-40	52	33	Professional	15	9
41-50	58	36	Private employee	63	39
51-60	3	2	Government service	42	26
above 60	2	1	Others	28	18
Income Levels			Premium Amount		
Less than 5,00,000	35	22	Less than 12000	40	25
5,00,000-7,50,000	52	33	12000-15000	52	33
7,50,000-10,00,000	68	43	15000-30,000	63	39

Above 10,00,000	5	3	30,000 above	5	3
<i>HI cover</i>			<i>Companies</i>		
Self	6	4	Public	80	50
Family	154	96	Private	80	50
<i>Type of HI</i>			<i>Sum Assured</i>		
Group	54	34	Less than 1,00,000	50	31
Individual	6	4	1,00,000-2,00,000	52	33
Family floater	100	62	2,00,000-5,00,000	53	33
Combination	0	0	Above 5,00,000	5	3
<i>Cover HI</i>					
Outpatient	40	25	Inpatient	120	75

HUMAN RESOURCE



ARTIFICIAL INTELLIGENCE: PERCEPTION & ATTITUDES OF EMPLOYEES OF IT SECTOR

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ABSTRACT

A century ago 90% of the jobs were carried out by humans and surprisingly the same has been replaced by technology. People have evolved in their skills, expertizing in new and complex tasks, ensuring that their skills stay ahead of the technology. And the people can evolve in the same manner in response to Artificial Intelligence (AI) technology. Bearing in mind this rapid pace of development, the rising levels of attention that AI has been garnering from policymakers, politicians, and the general public is unsurprising. The present article set out to establish the perceptions and attitudes of IT employees about the rise of AI, and the readiness the organizations exhibit to embrace technology. The article also pinpoints the attitudes of workers towards the potential of Artificial Intelligence to change the way they work. The results were revealing and suggest a current of concern running across elements of the workforce around Artificial Intelligence (AI) and its likely impacts on jobs. The study also concentrates on the relationship between demographic factors such as the gender and employee sentiment toward AI. The results indicate that there is a general uneasiness around the potential of AI to transform existing jobs. This is compounded by a lack of communication between employers and employees when it comes to keeping staff updated with the introduction of new technology.

KEYWORDS: Artificial Intelligence, perceptions, attitudes, employees and IT Sector

INTRODUCTION

Artificial Intelligence (AI) is defined as the design of computer systems to perform tasks which normally require human intelligence such as speech recognition, rational decision-making, and visual perception. Bearing this in mind, the rapid pace of development, there is an increase in the attention of AI from policymakers, industry and the general public.

Going forward, proactivity will be our greatest asset as we work towards the offset potential job losses with the introduction of new efficiency-boosting measures driven by technology. However, it

is also important that we are using existing technology to its full potential in the short-term, rather than predicting long-term fallout. Energy would be better placed, looking at the view of making the best of what we've got and debated the ways to evolve AI positively for the future.

The present article set out to establish the perceptions and attitudes of IT employees about the rise of AI, and the readiness the organizations exhibit to embrace technology. The article also pinpoints the attitudes of workers towards the potential of Artificial Intelligence to change the way they work.

LITERATURE REVIEW

One of the most talked about trends in HR Technology has been Artificial Intelligence (AI). Quick searches of the topic and wild predictions believe that AI will be a game changer in productivity for HR professionals. There are also others who fear "machine" could take their jobs. The truth is, while there's a reason to be cautiously optimistic, it's still early to predict the accurate impact of AI in HR and Talent Acquisition. For instance, any new technology in our space, if not used properly and with the right strategies, users can end up deep in the rabbit hole."

"In the corporate world, one of the best fields to put AI to good use is an HR department, as they are company's initial line in dealing with the "human" component of their businesses. In AI, they can find a great ally at all stages of their professional work, from an early short listing of talents and applicant's screening to boarding procedures and performance assessment. In addition to removing the unneeded burden from HR personnel, AI can help with organizing all the mentioned tasks and gaining unprecedented insights into the real performance potential of each employee."

Ulrich and Dulebon in 2015 described the emergence of HR and proposed the future of HR for increased and sustainable value. The authors have studied HR's transformation stages from administrative to HR strategy waves. "As Automation transformations require change, HR will experience a shift in required skills sets. There will a time when the HR no longer will spend their time writing the perfect job description and sifting through a list of 100 people that have exact keyword matches. HR's role will keep evolving, requiring a new focus and a new strategy." In continuation of various reviews, it would conclude that Artificial Intelligence (AI) will highly impact the prototype function of HR practices like recruiting, screening, performance appraisal, etc., Based on the review there are dimensions and parameters to be studied and identified further.

Problem Focused

This paper primarily focuses on the impact of traditional HR practices due to the adaptation of Artificial Intelligence (AI). The maximum time and consideration of the top manager are invested in leadership hiring, which should ensure a good strategy, planning, and direction for the business. However, the execution of the HR function normally is done by the Human with the help of a machine. But now, AI replaces most of the human resources function into machine interface.

Human Resources Professional Association (HRPA) reported in 2017 survey that 52% of respondents suggested that their organizations were not sure to adapt AI in their HR departments in the next five years. About 36% believe their organization was too small to do so, while 28% said their senior leadership doesn't see the need for such technology. Now it is imperative to know whether AI would be transparent and it would replace the broad function of HR.

RESEARCH METHODOLOGY

A survey of 100 employees from select organizations from IT sector, in Hyderabad, TS was conducted. The survey sought to collect information about the perceptions and attitudes held by

employees of the IT Sector towards Artificial Intelligence and its potential impacts on the workplace.

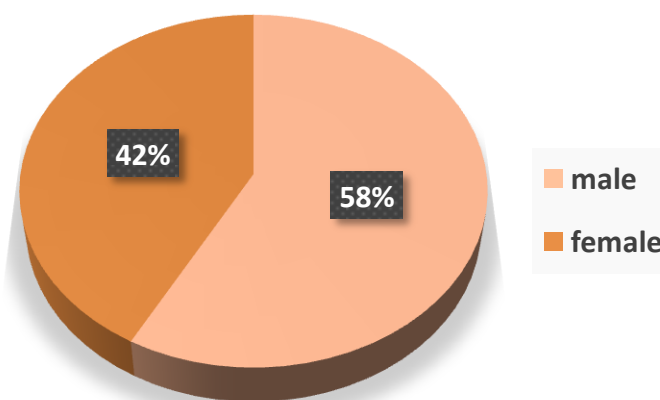
DISCUSSION AND FINDINGS

The present article set out to establish the perceptions and attitudes of IT employees about the rise of AI, and the readiness the organizations exhibit to embrace technology.

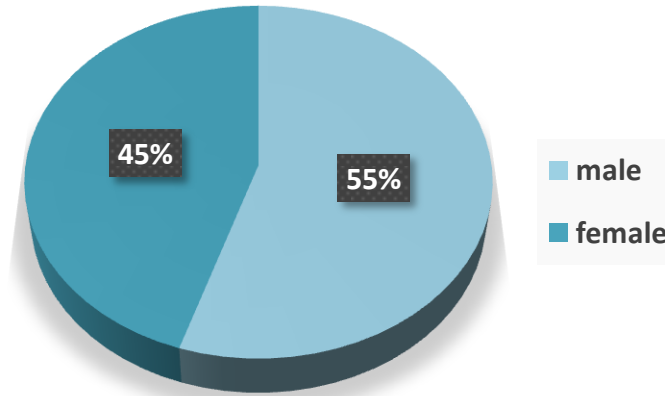
The article also pinpoints the attitudes of workers towards the potential of Artificial Intelligence to change the way they work. The results were revealing and suggest concerns around Artificial Intelligence (AI) and its impacts on jobs. The study also concentrates on the relationship between demographic factors such as the gender and employee sentiment toward AI. The results indicate that there is a general uneasiness around the potential of AI to transform existing jobs. This is added by communication barriers between employers and employees when it comes to keeping employees updated with the introduction of new technology

Trends in Gender

TABLE 1 AI WILL TRANSFORM THE ROLE BY GENDER



According to Table 1 42% of female and 58% of male felt that **AI will transform their role** by gender. Male perceived that AI will transform the role more than female.

**TABLE 2 EMPLOYER WOULD RETRAIN THEM IF AI WERE TO REPLACE THEIR
ROLE BY GENDER**

From Table 2, it is observed that 45% of female workers and 55% of male workers are **confident** that their employer would retrain them if AI were to replace their role. Male workers are more confident that the employer would retrain them if AI were to replace their role.

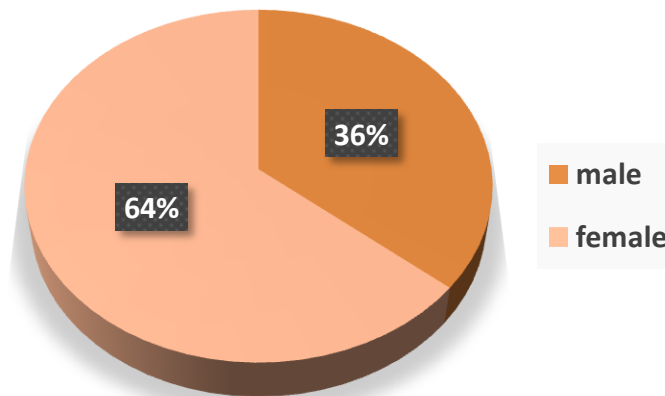
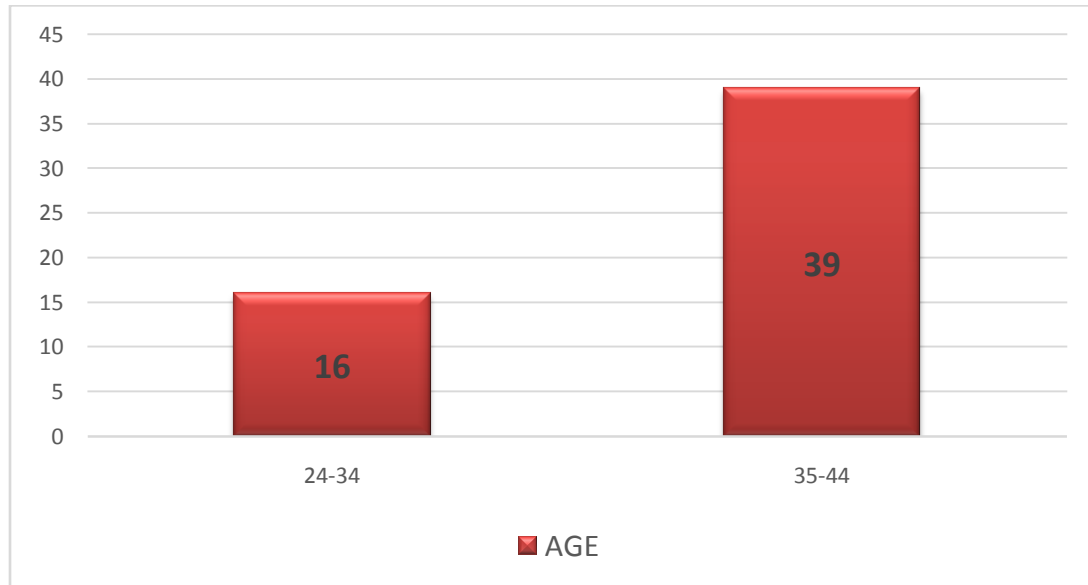
**TABLE 3 MANAGER LACKS THE SKILLS REQUIRED TO INTEGRATE AI BY
GENDER**

Table 3 shows that 36% of female workers and 64% of male workers feel that their manager lacks the skills required to integrate AI into their team. Male workers don't believe that their managers have skills required to integrate AI into their team.

Trends in Age

TABLE 4 AI WILL TRANSFORM THE ROLE BY AGE:

From the above Table 4, it is observed that 16% of 24-34-year-old are worried that AI will disrupt their role, compared to 39% of 35-44-year-old. 24-34-year old are worried that AI will disrupt their role.

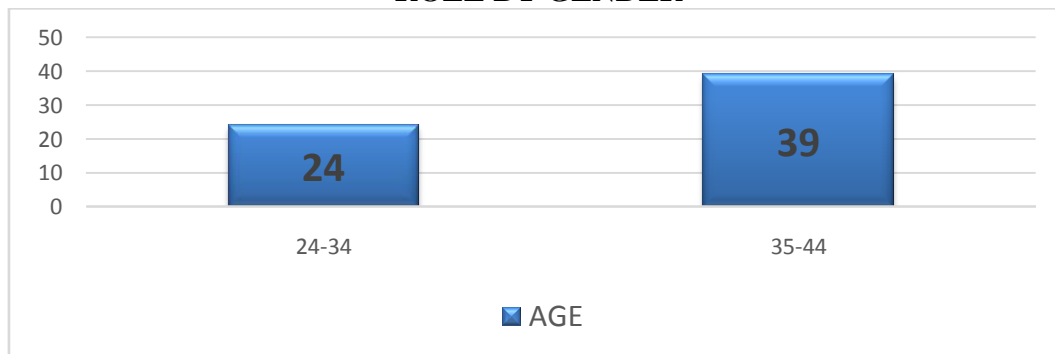
TABLE 5 EMPLOYER WOULD RETRAIN THEM IF AI WERE TO REPLACE THEIR ROLE BY GENDER

Table 5 indicates that 24-34-year-old are also the least likely to be confident that their employer would retrain them if AI were to replace their role (24%) compared to 39% of 35-44age group.35-44age group are more confident that their employer would retrain them if AI were to replace their role.

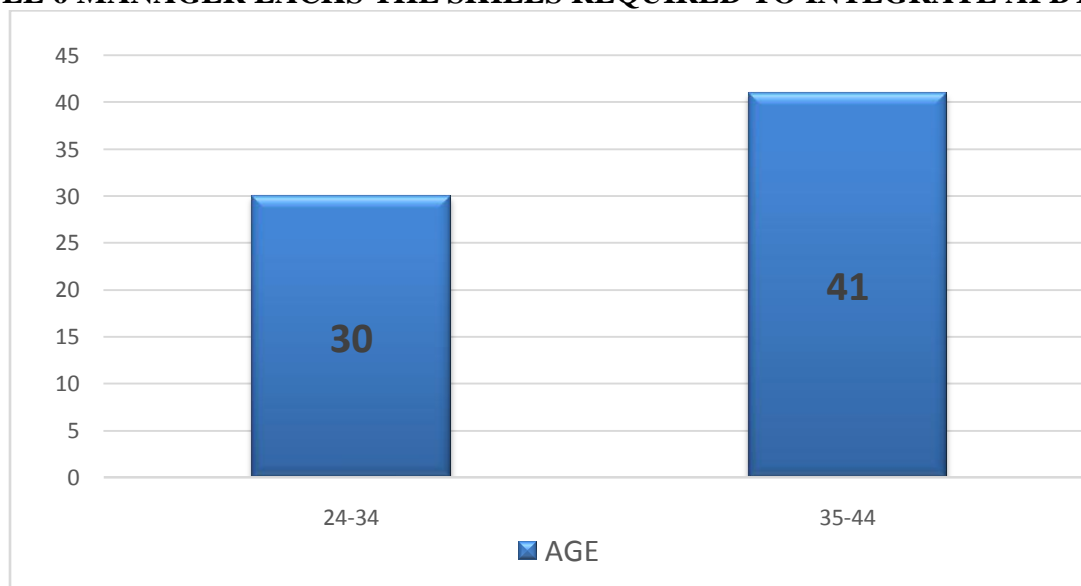
TABLE 6 MANAGER LACKS THE SKILLS REQUIRED TO INTEGRATE AI BY AGE

Table 6 shows that 30% of the 24-34age group and 41% of the 35-44age group feel that their manager lacks the skills required to integrate AI into their team. The 35-44age group believes that their managers have skills required to integrate AI into their team.

SUGGESTIONS

1) Planning

AI is coming and it has the potential to benefit every workplace. Think about how it can make the best of existing technology and lay the foundations for even more efficient AI.

2) Communication.

Workers are worried that automation might make them redundant. Talking openly about AI and how the organizations intend to re-train staff will significantly reduce this anxiety.

3) Plan the efficiency and productivity gains.

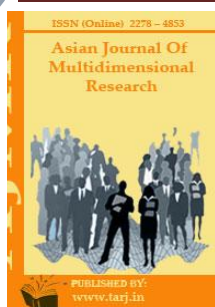
Part of making the most of the opportunity presented by AI is taking the time to think about the areas where it would be most beneficial to the organization. Thinking in this way will also allow you to plan how to up-skill existing workers and maximize efficiency and productivity gains.

CONCLUSION

Keeping in mind the rapid pace of development, the increasing levels of attention that AI in IT sectors has been gathering, is not surprising. Moving forward, proactivity would offset future job losses with the evolving of new technology-driven measures. However, it is also significant that we are using the present technology to its fullest potential in the short run, rather than predicting long-term difficulty. We can concentrate on making the best of what we possess and introspect the ways to evolve AI for the future.

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VANILLA INTERVIEWS TO DEMONSTRATING CAPABILITIES-THE PARADIGM SHIFT IN CAMPUS HIRING

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ABSTRACT

Campus recruitment is one of the most convenient methods of bulk hiring for entry level positions. It serves as a platform to the industry to grab the potential talent available from various campuses and caters to bring in human resources with greater skills and on a large number. Moreover, it's a win-win situation for both the Industry and the Institute. Campus recruitment has seen a major shift in recruitment strategies these days. The new age campus recruitment represents the adoption of Technology-based strategies, the unpredictability of the business landscape which brings new shifts in the way emerging recruiters are hiring from top-tier business schools. It is no more a standardized process of recruitment but, it's all about demonstrating the capabilities. Companies are now looking at the performance in action of the students before they hire them. They are striving hard to gain competitive recruitment edge, by introducing many innovative methods of campus hiring. Latest talent recruitment trends are demanding the students to reconceptualize the way of approach to their future career. Many of them want the students to be productive from "Day 1" and are continuously redesigning their talent acquisition process for over the last two years. Changing campus hiring patterns of the industry are throwing a challenge to both Institutes and students for campus placements "Vanilla Interviews to Demonstrating Capabilities-The Paradigm shift in Campus Hiring" article is all about understanding how campus recruitment process has eventually changed from traditional recruiting process to a process of capability demonstration.

KEYWORDS: *Campus Recruitment, Recruitment Trends, Capability Demonstration.*

INTRODUCTION

In olden days, the success of management education was quantified by determining the level of knowledge and skills the students gained. As the time passed eventually the phenomena of globalization and a large quantity of job creation in Information Technology industries changed the situation in such a way that providing campus placement is viewed as a return on investment of their time and money spent on their education. Campus placements play a very prominent role in bulk hiring of the best and brightest students straight from the campuses for the entry-level positions in any organizations. It is one of the most efficient methods of hiring potential candidates from reputed Institutions. Both Institutions and the Industry look at it as one of the ways to create a brand identity among students. In the ever-increasing competitive environment, branding is the key tool for telling potential employees about the culture and work, and organizations must work creatively to sustain this image. They imbibe a lot of training activities to the students like campus recruitment training, Coding challenges, Virtual internships, and Industry specific workshops, etc. It also helps the students to enhance their skills of and make them industry ready by the time they reach their final year. One of the strongest challenges faced by both the Institutes and students is the changing patterns of the campus hiring processes by the companies. Companies are demanding students to showcase their capabilities in action before they make an offer to them. This is where most of the students are failing to crack the placement. Unlike early times, Industry does not want to spend time and money training the candidates recruited through campus any more but, rather it expects them to be productive from day 1. This is one of the major areas of challenge which both the Institute and the students need to focus upon. Changing patterns of hiring strategies is definitely the need of the hour, as all the companies are striving hard to gain competitive recruitment edge, by introducing many innovative methods of campus hiring. Thus students and institutions have to really work upon to understand these changing patterns of the industry so as to tap the opportunities.

Need for the study

Rapidly changing campus hiring patterns of the industry are throwing a challenge to both Institutes and students for campus placements. It's more of showcasing the skills of students in action to the industry than performing in vanilla or standardized interviews.

Objective

The objective of this paper is to understand the advanced recruitment initiatives adopted by industries and the key factors that are preventing the B School students from cracking job placement opportunities. It mainly focuses on the changing patterns of campus hiring processes and strategies of various industries and also suggests some areas of improvement to both industry and students.

LIMITATION OF THE STUDY

This article presented “**Vanilla Interviews to Demonstrating Capabilities-The Paradigm shift in Campus Hiring**” is only limited to the B School campus hiring in India.

METHODOLOGY

Secondary data collected from books, magazines, journals, newspaper articles, and websites for reference and preparation of this conceptual paper.

A paradigm shift in campus hiring patterns

➤ Summer Internships-Deal makers or breakers

An internship is an exchange of services for experience between the intern and the organization. Internships are basically used to determine the capabilities of interns in the real-life experiences that lead them to future employment opportunities. In recent trends, summer Internships serving as an assessment tool on standardized measures through a series of interviews by some companies like Nestlé. Either way, companies want to see what candidates can deliver before they get them on board, which means placements. What used to be a week-long affair is now a full two-year ride.

➤ Learning Agility

Learning Agility has become an important parameter to crack placement during campus interviews. Candidates are been judged constantly on their learning abilities as a Bschool graduate is always expected to take up a wide variety of jobs roles during his early careers. Candidates possessing high learning agility will be able to perform well on the job due to the constant addition of new skills and knowledge. High learning agility also enables an employee to make a smooth transition between different roles as per the role/company requirement.

It is observed that when presented with the same opportunity to learn, not all individuals will be able to apply the learning in situations where it would be beneficial. One individual difference that can help explain differences in the individual is an individual's learning agility.

Learning agility refers to a person's ability and orientation to learn new things. The two major components of learning agility are:

- **Ability to learn:** the ability to learn quickly by identifying patterns, logical rules, and trends in new data.
- **Orientation to learn:** essential behavioral competencies which will predispose the respondent to learn new things faster than others.

➤ Off-Campus Opportunities

Most students have a misconception that only those who are unable to land a job during their campus placements look for a job off-campus. While it is good to have a job secured for yourself during your college campus drive, there is no harm in checking out what other job openings for fresher are currently there in the market. Off-campus placements pose as great opportunities to brush your job interview skills before appearing for on-campus placements. In addition, they offer a host of benefits to the freshers looking for jobs off-campus.

Latest Campus Recruitment Trends

In a recent survey conducted by LinkedIn, it is mentioned that new age campus hiring is all about focusing on gratifying parts of the job i.e Human part and strategic part.

As per 2018 Global Recruiting Trends report and a survey of 9,000 talent leaders and hiring managers across the globe, some of latest hiring trends which are making campus hiring more strategic and enabling recruiters and hiring managers to discover high-potential talent are

1. Diversity
2. New interviewing tools

3. Artificial intelligence

➤ Diversity- The Changing mindset for Campus recruitment

A company's culture and financial performance are directly proportional to the diversity of the workforce it has. There is constant evidence that diverse workforce in any company is more productive, more innovative, and more engaged.

TOP REASONS COMPANIES FOCUS ON DIVERSITY



➤ New interviewing tools

- 1. Online Assessments:** Online assessments are specially designed to measure traits like teamwork and curiosity and give a more holistic picture of candidates earlier in the process. Citi, for example, has implemented such assessments for its campus recruiting program, leading to more diverse candidates and a better understanding of their talents.
- 2. Skills in Action:** Companies are wanting candidates to do real work so as to observe their skills in action. Citadel designed day-long job auditions in which about 100 students compete for cash by solving real business problems with data.
- 3. Casual interviews:** These type of interviews typically take place over a meal and can offer a unique look into a candidate's character. A famous example is the CEO of Charles Schwab who takes candidates to lunch and asks for the restaurant to mess up their orders on purpose. There are plenty of other examples of companies creatively adapting this concept.
- 4. Virtual reality (VR),** companies immerse candidates in simulated 3-D environments to test their skills in a standardized way. Lloyds Banking Group has been a front-runner in this aspect and has seen great results when it comes to reducing bias and engaging candidates.
- 5. Video interviews** can be recorded or live and help by tapping a broader talent pool in far less time. KPMG Australia is a great example of a company who has implemented them for its entry-level hires and seen increased efficiency.

➤ Artificial intelligence

Artificial Intelligence (AI) has taken a strong foothold in recruiting and will likely continue to take over some of the more repetitive aspects of campus hiring. 35% of talent professionals and hiring managers say that AI is the top trend impacting on how they hire entry-level employees.

Reasons for the shift in Traditional methods of Campus Interviews

♣ In Accurate Assessment

Campus recruiters failed to assess the candidates 100% on some of the key skill sets like Soft Skills.

♣ **Lengthy Process**

Traditional methods of campus hiring methods are more time-consuming tasks and take a lot of time to declare the results.

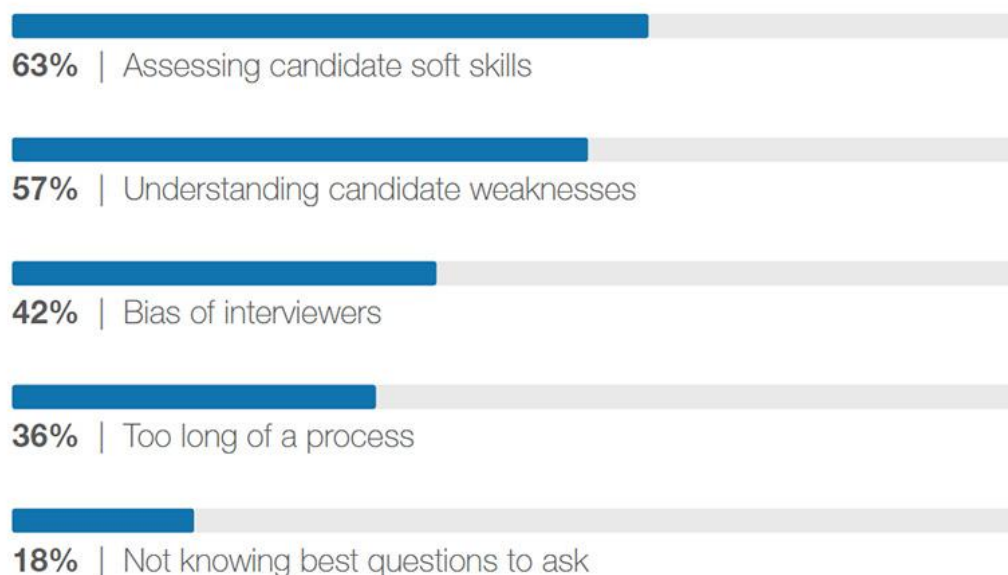
♣ **Bias of Interviews**

It may sometimes also lead to a bias judgment of hiring, and the potential candidates may lose the opportunity.

♣ **Improper evaluation**

As each person has his or her own perceptions and views, recruiters may be some times unaware what type of questions to be asked.

WHERE TRADITIONAL INTERVIEWS FAIL

**Suggestions**

Through this knowledge study, few suggestions are made that can be used to understand the changing paradigms of campus hiring strategies by the industry.

✓ **Industry Institute collaboration**

It is suggested that B Schools should design the curriculum in such a way that it will engage the intervention of industry as much as possible to understand the job roles and responsibilities offered to a B School graduates.

✓ **Introducing Certification Courses**

All though many B Schools have already introduced certification courses to the students, there is a need to identify and implement those certifications that are adopted and accepted by the industries.

✓ Optimizing Real life scenarios

Students should be made to work in real life scenarios as much as possible so that by the time the placement season starts they will be in a position to handle the real-life professional situations.

✓ Stay Relevant

It is suggested that students and Institutes must always stay relevant to the industry information and their hiring trends. Every company wants to hire the best talent and always strives to develop new and innovative ways most often.

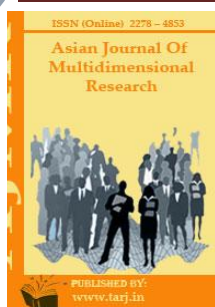
CONCLUSION:

Campus hiring trends have become highly transactional in nature. We have been witnessing many changes in the process of screening and selection of the candidates based on the latest and innovative hiring methods. Unlike earlier days, companies are now demanding students to showcase their capabilities in action before they make an offer to them. They are looking for a readymade talent that can be productive from day 1. In such conditions, it lies on the part of Institute and the students to understand the paradigm shift in campus hiring methods and keep themselves abreast with the industry and their campus hiring strategies to achieve successful placement.

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LEVERAGING DIVERSITY TO DEVELOP HIGH- PERFORMANCE WORKPLACE

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ABSTRACT

Diversity is critical to an organization's capacity to adapt to a fast-changing world. More diverse and inclusive workplace brings diversity in thoughts resulting in enhanced creativity and innovation. It is a new outlook to perspectives, experiences, culture, gender, and age which leads and manages a comprehensive workplace. This new outlook talks more about how others perceive individuals than how individuals identify themselves. As strength lies more in differences than in similarities, the time has come for all the organizations to respect, acknowledge, appreciate and engage these dynamic differences which result in better performance outcomes. Their focus must be on building capacity and enhancing the skills of individuals to experience the benefits of diversity and to leverage these benefits for a better workplace. The visible differences in race, gender, ethnic group, age, religion, sexual orientation, mental and physical conditions are just the tip of the iceberg called diversity, however, what manifests beneath is invisible behavioral differences that these evident factors bring among individuals. Every person from varied background has a unique and diversified thought process. Deeper study and understanding of these diversified behaviors will lead the organizations to perform effectively. This paper will talk about major diversity issues in terms of individual's behaviors and how to mitigate those differences and develop a high-performance workplace.

KEYWORDS: *Comprehensive, Fast-Changing, Diversified, Acknowledge,*

INTRODUCTION:

It is imperative that organizations are no longer able to choose to ignore a diverse workforce and are increasingly recognized as instrumental in improving an organization's performance.

Diversity at workplace promotes acceptance, respect, and collaboration despite differences in race, gender, age, religion, region, sexual orientation or communication patterns among employees. There are many tangible and intangible benefits that diversity at workplace brings in such as product and process innovation results from employees from a wide variety of demographics and backgrounds.

Undervalued, unacknowledged, and untapped human differences can pose significant challenges to amicable relationships and operational efficiency. When differences are valued, acknowledged and appreciated the harmonious associations and augmented thinking can lead to better results. The organizations then focus on building individuals and groups 'capacity and competencies so that they can experience the benefits of diversity and take advantage of these benefits.

Scope and Coverage:

This paper focuses on

- Study and understanding of heterogenous behaviors resulted from varied backgrounds
- Dynamic future behavioral gaps
- How to bridge the gap and develop a high-performance workplace

Definition of Diversity:

Diversity is the condition for requiring or even being composed of distinct fundamental elements, in particular, the inclusion of different types of people in a cluster or organization.

Understanding Diversity at the workplace:

Diversity as an idea includes acceptance and respect and states that everyone is unique. It's the study of the variances in a safe and cultivating environment.

Diversity is way over simply just accepting/tolerating the distinction. It is a collection of cognizant practices that involve:

- Appreciating mutuality in humanity
- Practicing mutual respect
- Understanding that, diversity includes not merely the ways of being however additionally the ways of thinking.
- Bridging the gap across variances and eradicating all sorts of discrimination.

Diversity thus is realizing the best approach to leverage those characteristics and conditions that are completely different from our own and outside the clusters to which we belonged accepting that they are present in other individuals and groups.

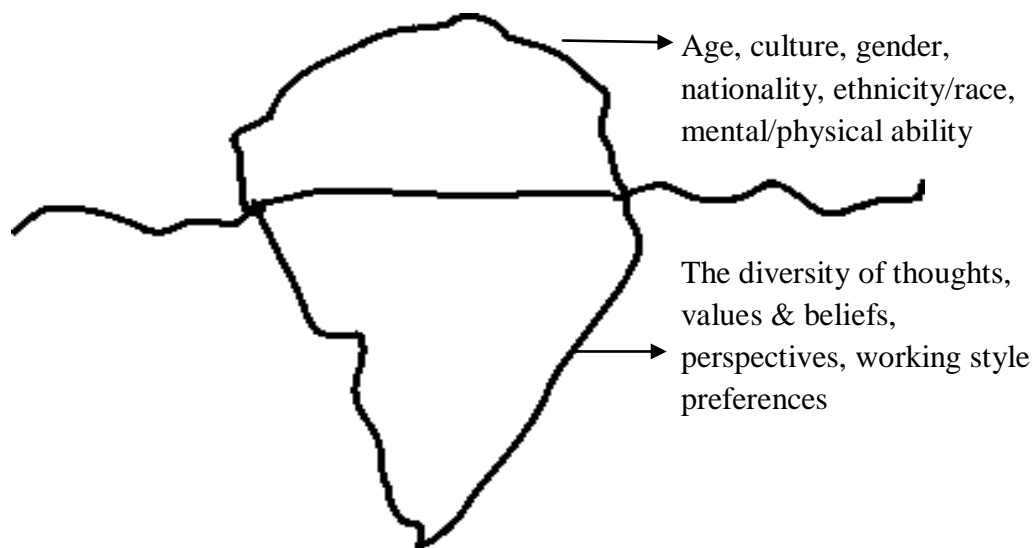
Dimensions of diversity:

Diversity includes everybody because people vary from one another in multiple ways. The most important dimensions of diversity may be classified as primary and secondary dimensions. Primary dimensions embrace age, race, ethnicity, gender, physical abilities/qualities, sexual orientation, etc. Secondary dimensions include work background, marriage status, income, parental status, geographic location, religious beliefs, etc. The primary dimensions are permanent and are extremely

significant in their effect. The secondary dimensions play a substantial role in shaping humanity when leveraged in a systematic manner.

The visible differences in race, gender, ethnos, age, religion, sexual orientation, mental and physical conditions are simply the tip of the iceberg known as diversity, however, what manifests beneath is invisible behavioral differences.

Figure 1: Visible and Invisible Diversity Traits



Source: Bersin by Deloitte, 2014

When we see someone, we notice, make assessments and build choices concerning the way to interact with that individual based on primary dimensions. These reactions influence relationships. It's natural to have an affinity between two individuals with a similar dimension of diversity. However, with a rise in the more diverse communities, it is utmost vital to deeply perceive the term diversity and its dimensions.

Advantages of diversity at the workplace:

Diversity can provide potential benefits to organizations. The countless advantages include helping organizations reach diverse customer groups and markets to promote innovation, superior work and performance.

- Fosters Innovation
 - Workforce diversity enhances innovation because heterogeneous groups bring in more bouncing diverse ideas and offer feedback and suggestion.
 - Employees from different backgrounds offer a variety of solutions for achieving common objective.
 - The more the diverse ideas the more are the chances for workable solution improvement.
- Upsurges productivity
 - Workplace diversity increases productivity and competitive advantages
 - Because of new ideas and processes brought into the organization by the diversified work force, organizations can offer more solutions to clients

- Workplace equality encourages employees from all backgrounds to feel confident about their ability and achieve their best. It increases the morale of employees and makes employees want to work more efficiently and effectively
- Language Diversity – Makes the penetration easy
 - Many times cultural and language barriers are hindrances to expand the business overseas.
 - By appointing workforces who speak varied languages, a company can enter global markets and interact with a wider customer base
- Higher employee engagement and lower employee turnover
 - Employee engagement is an outcome of diversity and inclusion.
 - When an organization acknowledges and accommodates the diversities within its various workforce, a sense of togetherness can be created.
 - It's a straight forward relationship between diversity and employee engagement – when employees feel included, they are more engaged.
 - When they feel accepted and valued, they are happier in the workplace and stay longer with the company.
- Better company reputation
 - Companies dedicated to building and promoting workplace inclusiveness are known for their open-minded and collaborative attitude
 - Job seekers are attracted to companies with a diverse workforce because it is obvious that companies do not discriminate against employment.
 - Budding customers often feel much appreciated and thus provide these organizations with a lot of business.

The reality gaps

On the one hand, diversity offers organizations several advantages, on the other, it has its own implications. Although throughout the time it had improved and understood greatly, still there are grey areas in terms of its effect on workplace productivity. Diversity has an adverse effect on workforce efficiency if not handled appropriately. When different minds come together, the result can be monumental. However, as the workforce becomes more diverse, more challenges arise accordingly.

Dynamic diversity challenges on the below areas can hit the workplace productivity

- Communication
- Technology
- Change
- Collaboration

Communication:

Communication is an important part of the workplace. It underlies the productivity and quality of workplace relationships. Diverse employee population delivers diversified communication styles. Understanding communication issues between varied groups can help to bridge this gap. If we take generational diversity as an example, there are lots of differences in communication styles between the old and younger employees. Issues arise between multi-generations as one communicates in a quick and instant way where the other feels it is very informal. With virtual teams, agile talent and remote offices in current digital workplace, corporates must focus on possible communication

strategy planning and tools. Diversity can enrich the workplace productivity if the organizations are open to these possibilities of reaching and learning new ways of communicating.

Technology:

There is a transformative impact of technology on the modern workplace. Face-to-face meetings, mailrooms, and typewriters have often given way to video conferences, emails, and word processor. A substantial portion of work and the workforces have moved beyond the confined traditional offices and started working from cafes, home, even working from vacations. Diversified workforce if not oriented and trained well on the technology, it may be a hit on workplace productivity. Boomers and Gen X need to see the technology the same way the millennials see. Role of organizations in making the workplace technology friendly is no less than the role of employees. Companies must update their infrastructure and technology to make reasonable accommodation for employees with physical disabilities.

Change:

Change is an inevitable part of any business. Evolution of workplace has happened from daily commute, traditional centralized offices and face-face work with teams to non-traditional workplaces, telework from home. To keep pace in a constantly evolving business world, organizations often need to implement changes affecting their processes, people, and products. Change can be difficult, and people often resist it. Bringing in change into the organization with a diversified workforce is much more difficult. Employees from varied backgrounds, opinions, values, and thoughts may not take the change as positive as it is. Initiatives like improving employees understanding of change, boosting trust, implementing change related training initiatives can assist the employees to adapt to change without affecting their productivity.

Collaboration:

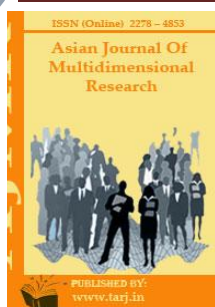
Collaboration between teams and employees is directly proportional to workplace productivity. This is the major gap which can arise if proper care is not taken and can adversely affect efficiency. Diversity is a multiplier of the intellect, but only when different groups can work together. Embracing diversity and overcoming prejudices and unconscious biases make a multicultural workplace tolerant workplace. Common gender stereotyping, discrimination, judging on the sexual orientation will make the workplace unhealthy in turn demotivates even the highly intellectual and skilled employees. Implementing initiatives to accept alternative lifestyles, avoiding assumptions, creating a trustable work environment, inclusive leadership and training & development can boost the morale of the diversified workforce.

CONCLUSION:

As global markets emerge, and workforce demographics shift, workforce diversity has become a business necessity. Employers reap tangible and intangible benefits from diversified groups. It is not just enough to understand the importance of diversity, but companies need to put effort to leverage the benefits to improve the organization's efficiency. This is possible only through identifying probable gaps and filling them with feasible solutions. Organizations should define and design a ready to fit model which focuses on every parameter starting from recruitment till separation. Definitely, there is no one size fits all model, hence organization specific models will haul and reap the benefits.

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MOTIVATION AND LIFE EFFECTIVENESS OF PROFESSIONAL STUDENTS

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ABSTRACT

Nowadays life effectiveness has got a lot of importance and gained momentum all over the world, including eastern countries due to industrialization, information technology. Though the concept of life effectiveness not new to Indians, still a lot of work to do in this particular domain through formal research. Most of the educational institutions today teach these essential life effectiveness skills to their students from school level onwards. Motivation is yet another area which will influence one's life effectiveness. Taking the tag from the above relationship the present research is aimed at measuring the life effectiveness of the MBA, MCA, and B.E/B.Tech professional students. and calculated the mean, SD and t-test group wise and analyzed and interpreted.

KEYWORDS: *Effectiveness, Interpreted, Particular, Momentum*

INTRODUCTION:

A report by Washington Investment Analysts Goldman Sachs has highlighted that the next 30-40 years will see the change in the future economic powerhouses. The G7 all western countries will lose out to the largest developing nations. Further, Goldman Sachs believes that the USA will be followed by China & India I.e., 1 2 & 3 in the 3 worlds biggest industries by 2040.

A massive pool of hi-tech scientist engineers and skilled workers means most of the world's goods and services will be centered in both China & India and Brazil to a lesser extent. It is estimated that India will be the next country around 2010-2012 to achieve a trillion dollar economy in terms of GDP. (Goldman Sachs 2003, BRIC Report).

Since 2003, India has been one of the fastest-growing major economies, leading to rapid increases in per capita income, demand and integration with the global economy. In India, labor is nearly four times more productive in the industry and six times more productive in services than in agriculture,

where there is a surplus of labor (BRIC Report2003). As per world population reports India's average age by 2020 is 29 years. These youth will be 25% world's workforce. The whole world will look towards India for young resources. According to another study India offered itself as an ideal location because it is currently on the threshold of a significant 'demographic dividend', a historical chance for the society and polity to convert an unharnessed resource into a major societal asset, and also in recent times many studies have established a positive association between what is termed the age structure transition (specifically, a rising share of working age people in a population) and economic growth in India and China. Indeed, demographers and economists have predicted higher growth prospects for India compared to China over the next thirty years, since, as they put it, the effect of the fertility decline and the bulge of population age cohort in the working age group will sharpen in India in the coming decades. According to current estimates, India is – and will remain for some time - one of the youngest countries in the world. The following population figures from the World Bank gives a clear picture of the potential of India's demographic dividend. In 2000 India, Brazil and China had nearly 34% of their population as youth as compared to less than 28% in Germany and the USA. In 2020 India alone will be 34% while all the other large countries will have dropped below 31% including China which will be 28.5% . In 2020, it is estimated, the average Indian will be only 29 years old, compared with the average age of 37 years in China and the US, 45 in west Europe and Japan. This demographic process entails a massive and growing labour force which, it is held, will deliver profound benefits in terms of growth and prosperity. The changed age structure of India's population also means an overall younger population as something more than simply a statistical fact since it has political and social consequences for India and the world. Exploring the attitudes and perspectives of India's young population, therefore, becomes as much an exercise of historical curiosity as it is a political necessity.

The theme of Confederation of Indian Industry (CII) for 2008-09 is "India @ 75: The Emerging Agenda". CII is building a comprehensive vision for India @ 75 and would undertake an "aspirational role" and facilitate India's transformation to be a global leader by 2022. This vision has been developed by Prof C K Prahalad, Paul Ruth McCracken Distinguished University Professor, Ross School of Business, and The University of Michigan.

According to Prof. Prahalad's vision suggests that India should convert its huge population into its vital strength. By 2022, India is going to be the world's largest pool of trained manpower with 200 million of college students accruing up to 16% and about 500 million of trained workforce accruing up to 40%, with an icing of universal literacy. According to Prof. Prahalad, as India steps into its 75th year, the nation is going to rank among the world's leaders in Industry and Commerce accounting for 10% of the world's trade with 30 of Fortune 100 firms from this land of Vedas only. Talking about unemployability in the industry, Prof Prahalad said that India has tremendous proliferation in schools and higher educational institutions which are affecting the employability of those who pass out. The public-private partnership is the only answer to make our human resources more bankable.

Looking into the above review MBA, MCA, and B.TECH students have been taken as a sample for the present study.

Terms and Definitions used in the Life Effectiveness Questionnaire-h and Motivation Questionnaire:

Time Management: "An individual's ability to plan and make efficient use of time" (Neill et al., 2003, p.6).

Social Competence: “The ability to function effectively in social situations, also called interpersonal competence and social skills” (Neill et al., 2003, p.6).

Achievement Motivation: “How motivated a person is to achieve some goal or objective” (Neill et al., 2003, p.6).

Intellectual Flexibility: “A person’s ability to appropriately adjust their views to accommodate and act upon the ideas of others” (Neill et al., 2003, p.7).

Task Leadership: “An individual’s ability to take control of situations, motivate and enthuse others towards common goals, and ensure a productive and harmonious outcome when there is a situational need or opportunity” (Neill et al., 2003, p.7).

Emotional Control: “A person’s ability to deal with emotions under difficult or demanding situations” (Neill et al., 2003, p.7).

Active Initiative: “A dynamic ability to actively and independently initiate new actions and thoughts in a variety of personal and work settings” (Neill et al., 2003, p.8).

Self-Confidence: “An individual’s general confidence of success in work and personal situations. Closely related to self-esteem, self-efficacy, and self-concept” (Neill et al., 2003, p.8).

Need for achievement (n- Ach.): The drive to excel, to achieve in relation to a set of standards, to strive to succeed.

Need for Affiliation (n- Aff.): The desire for friendly and close interpersonal relationships.

Need for Power (n- Pow.): The desire to make others behave in a way that they would not otherwise have behaved in.

Life-Effectiveness: “Psychological and behavioral aspects of human functioning which determines a person’s proficiency in any given situation” as measured by the Life Effectiveness Questionnaire-Version H (LEQ-H) (Neill et al., 2003, p.5).

LITERATURE REVIEW:

Life Effectiveness:

According to Mie, there is a very limited literature review and research that addresses life-effectiveness, Mei(2003). Being the author of the life effectiveness questionnaire (LEQ), Mie suggests that life effectiveness is viewed as personal effectiveness (Neill, 1999; Neill, 1999a; Neill, 2000). In other words, life effectiveness is essentially how an individual acts, responds and thinks in the spectrum of day to day situations. It has been proposed that the greater the personal effectiveness, the higher the achievement and success in life (Hattie et al., 1997; Neill, 1999; Neill, 1999a; Neill, 2000).

Life effectiveness is defined as a person's capacity to adapt, survive and thrive especially in areas of personal development typically targeted by intervention programs (Neill et al 2003). The notion of "life effectiveness" is that there are some personal skills that are important factors in how effective a person will be achieving their aspirations in life. Neill suggested that a person's life effectiveness can be measured by how well they function in work or in college, as well as in their personal and social life. Underlying performance in these various aspects of life are some core personal effectiveness skills which can be developed and learned like time management, self-confidence, and leadership abilities, etc., in this paper the author also has considered “life effectiveness is closely

related to notions of "personal skills", "life fitness", "practical intelligence", "personal competence" and "self-efficacy" (old HTML definition, wilderdom.com).

Time Management:

Increasingly in Western society, an individual's ability to plan and make efficient use of time is seen as a useful quality in both personal and professional life says; (Neill et al., 2003). Taking the tag from western society, Oriental and traditional society India also these days recognize the importance of time management, just because of liberalization, privatization and globalization effect on Indian community and MNC culture and its impact in the workplace. That is why in Indian corporate world there is a lot of demand for trainers who are doing time management programs. One of the most common themes in any journal, magazine or book on successful living is time management (Stenger, 2001). Concomitantly, time management training is popular and widely available, however, the evaluation of time-management training programmes has been limited (Macan, 1996).

Social Competence:

According to Neill et al. (2003), the Social Competence dimension seeks to encompass the ability of an individual to function effectively in social situations, including skills in communication, decision-making, and problem-solving, that is why it is also referred to as interpersonal competence and social skills.

The above-mentioned skills are crucial for adolescent development. This is an essential characteristic for professional and technical students in their day to day situations whether it is at home or at college or even at the workplace. Anyhow Moote et al. (1999) cited social competence as one of the requisite skills needed for children to improve their ability to form and maintain healthy relationships with significant adults such as parents, teachers and extended family members. However, there is a lack of studies on Asians and local school children and this represents a knowledge gap in the local context. In LEQ-H, the social competence items are applicable to a wide range of settings and data from a diverse range of participants (eg. school children through to corporate executives) were sought (Neill et al., 2003).

Achievement Motivation:

According to Weiner, a person with more motivation to achieve is more likely to reach a particular achievement (Weiner, 1980). The research literature has established a strong link between achievement and motivation (Arkes 1982). More cognitive and direct measures such as sentence completion tests have been developed. Neill et al. (2003) developed a cognitive-based self-report format for the LEQ-H scale for practical reasons.

Intellectual Flexibility:

Intellectual flexibility refers to the ability of a person to appropriately adjust his/her view to accommodate and act on the ideas of others (Neill et al., 2003). Besides the LEQ, intellectual flexibility scales have appeared in other instruments such as Personality Research form an eg. cognitive structure by Jackson (1984).

Task Leadership:

One of the most important leadership functions is task orientation, which is defined as the ability to get others involved in the activity and motivated to achieve the desired outcome (Neill et al., 2003). The majority of the research literature focuses on the characteristics of people performing designated roles, such as managers in organizations or in situational factors, leading to the emergence of leaders

in experiments. In contrast, the LEQ Task Leadership scale gets individuals to assess their ability to take on and perform in a leadership role when there is a situational need (Neill et al., 2003).

Author of LEQ feels that an individual who is able to take control of situations, motivate and enthuse others towards common goals, and ensure a productive and harmonious outcome, is more likely to be effective in general life than a person unable to perform such functions.

Emotional Control:

Goleman's (1995) theory of emotional intelligence gains attention as people began to look to other measures of success besides intelligence quotient. Emotional intelligence includes knowing oneself, understanding the relationship between emotions and rational thoughts, empathizing with others, and managing emotions and coping. It is also suggested that emotional intelligence is a skill and therefore, can be taught to people. Measures of emotional competence are included in personality instruments eg. High School Personality Questionnaire (Catell, 1968) and clinical instruments eg. Beck Depression Inventory (Beck, Steer & Garbin, 1988). According to Goleman (1995), an important part of emotional intelligence is self-awareness, which includes both the awareness of thought processes and the awareness of emotions.

Active Initiative:

An active initiative is intended to capture the dynamic ability that is demonstrated by an individual who actively and independently initiates new actions and thoughts in a variety of personal and work settings (Neill et al., 2003). According to the authors of LEQ, there is currently little research literature available to test the idea that active initiative can be considered a component of life effectiveness.

Self-Confidence:

Several constructs have been used to describe the affective component of self, including self-esteem, self-concept, and self-perception (Garst & Scheider, 2001). When choosing which construct to use, the authors of LEQ-H decided to select Self-Confidence. It is a term used in everyday language to refer to an individual's general belief in his/her abilities (Neill et al., 2003). The research literature tends not to use the general term Self-Confidence, instead focussing more specifically on self-esteem, self-efficacy, self-concept and so on (Neill et al., 2003). Thus, Self-Confidence is closely related to the terms self-awareness, self-esteem, and self-efficacy, which falls under the "big umbrella" of self-concept (Stenger, 2001).

Motivation:

Motivation refers to the process that accounts for an individual's willingness to exert high levels of effort to reach individual and workplace goals. David Mc Clelland et al (1961), have proposed the three needs theory of motivation. This says there are three acquired needs that are major motives in the workplace. These three needs include the need for achievement, the drive to excel, to achieve in relation to a set of standards, to strive to succeed. Affiliation need, the desire for friendly and close interpersonal relationships. Power need, the desire to make others behave in a way that they would not otherwise have behaved in. Of these three needs, the need for achievement has been researched the most. these people with a high need for achievement are striving for personal achievement rather than for the trappings and rewards of success. They have a desire to do something better or more efficiently than it's done before Mc Clelland(1961). Further Mc Clelland says that they prefer jobs that offer personal responsibility for finding solutions to problems, in which they can receive rapid

and unambiguous feedback on their performance in order to tell whether they're improving, and in which they can set moderately challenging goals.

METHODOLOGY:

Research Instruments:

To carry out present research article life effectiveness version-H questionnaire and motivation questionnaires served to the sample, these two instruments description is given as under.

Life Effectiveness Questionnaire – Version h (leq-h):

For the present research article to measure life effectiveness, Life Effectiveness Questionnaire - Version H (LEQ-H) (shorter form), (Neill, 2000) has administered. The LEQ- version H instrument measures the following eight dimensions: Time management, social competence, achievement motivation, intellectual flexibility, task leadership, emotional control, active initiative, self-confidence (Neill, 2000). LEQ - H shorter form consists of three questions from each above mentioned eight categories thus the total number of questions together there are 24. These questions are asked on 8 point scale. i.e., 1-4 measures false like me and 5-8 measures true like me, and thus the any given sample's total scores range from 24 to 192.

Motivation Instrument:

Motivation instrument consists of 15 statements has been taken from Organisational Behaviour (1993). These 15 statements are addressing the 3 categories of motivation need for achievement, need for affiliation, and need for power. From each category, there are 5 questions, achievement need, affiliation need, and power need. Each and every statement is answered on 5 point scale from very much agreeable to very much disagreeable. The individual scores range from 15 to 75.

SAMPLE:

100MBA students, 100 MCA students and 100 Engineering students from two different Engineering colleges are taken as a sample. In each of the three categories of MBA, MCA and Engineering there are 50 male students and 50 female students the total of 300 students represents as a sample.

Objective of the Study:

To explore the relationship between motivation and life effectiveness of MBA, MCA and engineering students.

HYPOTHESES:

1. There is no relationship between motivation and life effectiveness of MBA male students.
2. There is no relationship between motivation and life effectiveness of MBA female students.
3. There is no relationship between motivation and life effectiveness of MCA male students.
4. There is no relationship between motivation and life effectiveness of MCA female students.
5. There is no relationship between motivation and life effectiveness of B.Tech male students.
6. There is no relationship between motivation and life effectiveness of B.Tech female students.

**TABLE-I. SHOWS MEANS, SDS, AND T-SCORE FOR MBA MALE STUDENTS
MOTIVATION AND LIFE EFFECTIVENESS: MBA-Male**

	LEQ	MOTIVATION	t-value
Mean	5.28	3.70	0.037
SD	1.50	1.07	

P < .05

N=50.

From the table-I, it is noticeable that the mean for life effectiveness, motivation scores of MBA male students is 5.28 and 3.70, and SD is 1.50 and corresponding t- score for MBA boys life effectiveness and motivation is 0.037. This reveals that t- value is significant at $p < .05$, t- value reveals that there are an impact and relationship between motivation and life effectiveness and motivation on MBA male students.

Hence, the null hypothesis, no relationship between motivation and life effectiveness of MBA male students is rejected.

**TABLE-II. SHOWS MEANS, SDS, AND T-SCORE FOR MBA FEMALE STUDENTS
MOTIVATION AND LIFE EFFECTIVENESS: MBA-FEMALE**

	LEQ	MOTIVATION	t-value
Mean	6.10	3.96	0.038
SD	1.12	1.07	

P < .05

N=50.

From the table-II, it is noticeable that the mean for life effectiveness, motivation scores of MBA female students is 6.10 and 1.12, and SD is 3.96 and 1.07, corresponding t- score is 0.038 for MBA girls life effectiveness and motivation is 0.038.

Hence, the null hypothesis, no relationship between motivation and life effectiveness of MBA female students is rejected.

TABLE-III. Shows Means, SDs, and t-score for MCA Male students Motivation and Life Effectiveness: MCA-Male

	LEQ	MOTIVATION	t-value
Mean	4.59	3.79	0.005
SD	1.54	1.06	

, **P<.001**

N=50.

From table number III, one can make out that the life effectiveness and motivation scores of MCA male students mean is 4.59 and 3.79 SD is 1.54 and 1.06, corresponding t score is 0.005.

Thus t- value reveals that there is certainly an impact and relationship between motivation and life effectiveness scores of MCA male students. In other words, change in motivation certainly has an impact on life effectiveness of MCA male students.

Hence, the null hypothesis, no relationship between motivation and life effectiveness of MCA male students is rejected.

TABLE-IV. SHOWS MEANS, SDS, AND T-SCORE FOR MCA FEMALE STUDENTS MOTIVATION AND LIFE EFFECTIVENESS: MCA-FEMALE

	LEQ	MOTIVATION	t-value
Mean	4.38	3.85	0.001
SD	1.58	1.21	

p<.001

N=50.

From table number IV, one can make out that the life effectiveness and motivation scores of MCA female students mean is 4.38 and 3.85 and SD is 1.58 and 1.21, and corresponding t-score is 0.001

The above results reveal t- value is significant at $p < 0.005$, Thus t- value reveals that there is certainly an impact and relationship between motivation and life effectiveness scores of MCA female students.

Hence, the null hypothesis, no relationship between motivation and life effectiveness of MCA female students is rejected.

**TABLE-V. SHOWS MEANS, SDS, AND T-SCORE FOR B.TECH MALE STUDENTS
MOTIVATION AND LIFE EFFECTIVENESS: B.TECH-MALE**

	LEQ	MOTIVATION	t-value
Mean	5.84	4.52	0.001
SD	1.14	0.93	

P< .001**N=50.**

From table number V, maps out that the life effectiveness and motivation scores of B.E/B.Tech male students mean is 5.84 and 4.52 SD is 1.14 and 0.93, and corresponding t-score is 0.001.

The above results express t- value is significant at $p < 0.001$, Thus t- value reveals that there is definitely an impact of motivation and life effectiveness scores of B.E/B. Tech male students. In other words, change in motivation certainly has an impact on life effectiveness of male B.E/B.Tech students.

Hence, the null hypothesis, no relationship between motivation and life effectiveness of B.E/B. Tech male students are rejected.

**TABLE-VI SHOWS MEAN, SD, AND T-SCORE FOR B.TECH FEMALE STUDENTS
MOTIVATION AND LIFE EFFECTIVENESS: B.TECH-FEMALE**

	LEQ	MOTIVATION	t-value
Mean	4.89	4.17	0.021
SD	1.33	1.15	

P< .05

From table number VI, easily one can understand that the life effectiveness and motivation scores of B.E/B. Tech female students mean is 4.89 and 4.17 and SD is 1.33 and 1.15, the corresponding t-score is. 0.021 at $p < .05$

The above results reveal t- value is significant at $p < 0.05$, Thus t- value reveals that there is certainly an impact and relationship between motivation and life effectiveness scores of B.E/B. Tech female students.

Hence, the null hypothesis, no relationship between motivation and life effectiveness of B.E/B Tech female students are rejected.

FINDINGS:

In MBA boys and girls motivation levels and life effectiveness is significant at .05 level. In MCA boys and girls motivation levels and life effectiveness is significant at .001 level, whereas slight

difference one could find in case of B.E/B. Tech boys and girls motivation and life effectiveness. Boys scores are significant at 0.001 and girls score are significant at 0.05 level.

CONCLUSION:

All in all the Professional student groups i.e., MBA, MCA, B.E/ B.Tech motivation is positively related to their life effectiveness. In other words, higher the motivation is greater the life effectiveness of professional students. Thus Professional students are aware of their motivation how it does effect their life effectiveness. Further comfortably one can interpret B.E/B. Tech Boys and MCA boys, girls look like same with higher motivation and life effectiveness when compared to MBA boys, girls, and MCA girls.

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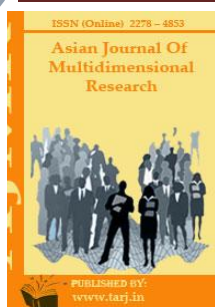
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THE ROLE OF KNOWLEDGE MANAGEMENT PROCESS AND CULTURE IN PROJECT SUCCESS - A CASE STUDY IN INDIAN IT INDUSTRY

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ABSTRACT

In the knowledge economy of today, where the business environment is turbulent, competition is stiff with the influence of global trends, organizations strive hard to be innovative and successful. If properly managed, knowledge resources can generate benefits in terms of innovation, improved performance, customer satisfaction and can contribute to overall organizational effectiveness. For knowledge to be effectively managed, there needs to be a systematic procedure or practice in organizations that facilitate the acquisition, storage, distribution and application of knowledge, and this is where the knowledge management process and culture comes in to picture. Organizations need to focus on knowledge management processes and culture that fosters the free flow of ideas and information. In the IT industry, especially where knowledge is the prime source of innovation and where different teams work on different projects, accumulating and sharing of success/failure information becomes important. This study chose three IT companies of different size - large, medium and small, to find the KM processes and practices in these companies and whether size matters in the management of such practices. Different teams working on IT projects were interviewed by using a questionnaire that comprised 13 items. It is found that size matters only to an

extent and the KM process and culture play a significant and dominant role in project success in IT companies.

KEYWORDS: *KM Process and Practices, Culture, Collaboration.*

INTRODUCTION:

The success of Information Technology (IT) firms depends on the successful management and execution of its projects. According to Alavi & Weidner, 1999; Kotnour, 2000; Koskinen & Pihlanto, 2008; Nonaka & Takeuchi, 1995, knowledge management (KM) was considered as the key element for the project success and organizational performance. Knowledge management process includes acquiring, sharing, applying and distributing the knowledge prevalent in the organizations at various levels i.e. individual level, team/group level and organizational level. It is the process of integrating the knowledge available in the organizations, and project success to a great extent depends on how well the knowledge is integrated. According to Nonaka (1991), successful companies are the one who constantly produces new knowledge, distributes the knowledge across the organization and deploys into new products quickly. KM process helps in acquiring and leveraging intellectual capabilities to facilitate the successful completion of projects. KM is the process of learning from experiences, sharing the accumulated knowledge and transferring the competencies to others.

As per PMBOK (2000), a Project Management Body of Knowledge accepted as standard in project management, KM is applicable in all aspects of project management and has become the key requirement for organizations to gain competitive advantage, especially in project-based organizations. Brown (2010) observed that organizations of today are mostly project based and inclined to know the knowledge sharing procedure between projects and also between project teams. He believed that knowledge sharing depends on the way activities are put in place in project management. According to Hawamdeh et al. 2010, knowledge is present in the minds of the team members and the team members have to understand the value of such knowledge and the ways to share such knowledge. Yeong & Lim (2010) Team members who could complete projects on time and within budget and scope are considered successful and are generally proposed to guide other/future projects. But as per Dalglish (2003), the success of projects is the amount of knowledge passed on to future projects, in terms of KM perspective.

To complete the projects successfully, project teams need to coordinate well. They need to communicate for learning new things, knowing problem-solving techniques and enhancing their skills and competencies. Thus, organizations need to focus on enabling knowledge sharing among project teams and between project teams. For this to happen, there need to be standard practices or processes that allow knowledge sharing.

As per Cleveland & Ellis (2015), knowledge sharing was observed to be as a difficult task as it includes sharing of knowledge from different social actors. Sveiby & Simons (2002) knowledge resides in people and communication becomes important for sharing the knowledge, and organizational culture plays a crucial role in encouraging knowledge acquisition among organization members. Chenge et al (2008) said knowledge acquisition in organizations can be promoted through trust, Lopez et al (2004) teamwork, harmony, and collaboration. This study is an attempt to understand the contribution of collaborative team learning on the KM process and culture in the project success.

LITERATURE REVIEW:

As per Massey et al.(2007); Bajwa et al. (2015) Researchers and practitioners caught the attention on the importance of the role of knowledge in organizations when organizations improved their performance and gained a sustainable competitive advantage. As per Nonaka et al. (2014), as organizations across the globe are becoming knowledge-based, to gain competitive advantage, organizations started focusing on the knowledge-based designs and innovation. Further, Bock et al. (2005); Cabello-Medina et al.(2011); and Marouf & Khalil (2015) assumed that innovativeness of organizations is based on the knowledge sharing practices between and among different divisions and departments of organizations. To consent to knowledge sharing among departments or divisions, there need to be a formal channel or practice that allow and encourage organizational members to share their knowledge. Nonaka & Takeuchi (1995); Shahzad et al. (2016) identified that culture enables knowledge sharing and contributes to organizational creation and innovation. Lau & Ngo. (2004) the ability of an organization to acquire, distribute and influence knowledge depends on the practices and beliefs that refers to the culture and knowledge sharing behavior of its members. Organizations that plan to be innovative in the world of VUCA (Volatile, Uncertain, Complex and Ambiguity) have to focus on the knowledge management processes that encourages organizational members to acquire, apply and share the knowledge. Knowledge sharing practices need to be embedded in the knowledge culture. Culture plays a key role in shaping the behavior of organizational members and encourages them to actively participate in the knowledge management process.

In the IT industry, knowledge management forms the basis for the successful execution of projects. As different teams work on different projects, people tend to gain different kinds of knowledge. If accumulated properly, and shared between and among the teams, the knowledge gained on the projects can be utilized for the success of future projects. Levin G. (2010) acknowledges knowledge management as the process and relies on the integration practice of their individual knowledge assets and believes that such integration results in project success. Meyerson et al. (1996) believed that developing common knowledge is essential for project management. Team members have an idea of a platform to share knowledge and understand the importance of value addition of sharing their knowledge with others. This becomes even more crucial for projects which are taken up for the first time and no member has prior knowledge, or with the projects that involve high technology usage or high risks. These type of situations demand extensive communications and this is where cultural practices play a vital role. Organizations need to embrace a culture that facilitates knowledge sharing among the project teams leading to team learning. Knowledge acquired through team learning be documented, shared, applied and results i.e. success/failures be shared that facilitates in easy handling of future projects. Mian M. Ajmal (2009) learning from the knowledge acquired from projects successes or failures is key for building competitiveness and sustainability in the long run. Such learning from projects can develop people practices in the organization. Knowledge thus becomes a transferable asset. Organizations can necessitate creating a culture that encourages knowledge transfer to complete future projects successfully and also enhance the project capability of organizations. The current study examines the role of team learning, KM process and culture in the project success.

OBJECTIVES OF THE STUDY:

IT companies handle different projects involving different teams. These teams collaborate in the process of project work for delegating tasks, discussing the progress, resolving the problems/hurdles, integrating the tasks and implementation. A collaborative environment that facilitates these teams to

perceive problems, discuss alternatives and find feasible solutions for the successful completion of projects is needed. Such collaborative environment encourages project teams to acquire, share, and apply knowledge in completing their tasks. These activities further result in innovative ways of successful completion of future projects.

This research paper inspects the contribution of team learning to the knowledge management and culture and in the successful completion of future projects. This study attempts to answer the following questions:

1. Does team learning contribute to knowledge management and culture?
2. Do knowledge management and culture contribute to project success?

METHODOLOGY:

The study observes the learning practices of the three IT firms and the role played by team learning in the success of IT projects through the KM process and KM culture. The study assesses the feedback collected from the people involved in IT projects in all three organizations. The details of the three companies selected for the study are given below. To maintain confidentiality, the actual names of the three IT companies are kept confidential.

Company 1: This is a large IT company located in Hyderabad having employees around 1,10,000 across the country. Its service domain includes IT services, Business Process Outsourcing, mobile solutions, and cloud computing. The company undertakes projects mainly in the telecom industry and extended to data analytics and banking.

Company 2: This is a medium size organization located in Hyderabad with around 20000 employees. It offers technology and outsourcing services to the Insurance, wealth management and banking firms.

Company 3: This is a small size IT firm located in Hyderabad. It offers IT, consulting and business process outsourcing services. It also studies and assesses the business requirement of firms in the area of software development, outsourcing, and consulting.

To collect feedback from all the three companies, we developed a questionnaire comprising 9 items under KM process and 4 items under KM culture according to Jain & Moreno (2015). These items are used to understand the learning process, KM environment and practices that play a major role in the project success. The conceptual framework for the current study is shown in Figure 1.

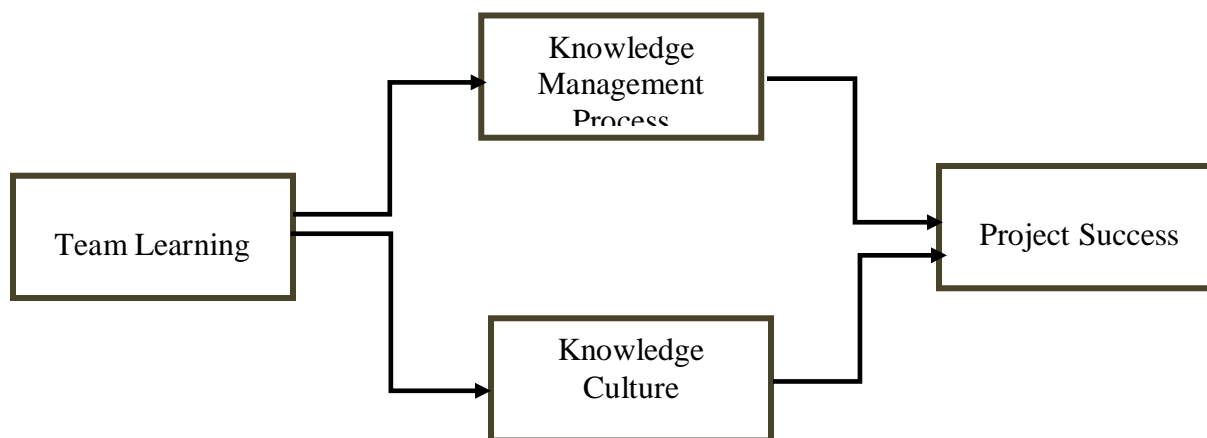


Figure 1. Conceptual Model considered for the study

Results:

In the process of collecting feedback, we could meet some project managers and project leaders of all the three companies. In company 1, we could meet five project managers and four project leaders. In company 2, we could meet four project managers and six project leaders and in company 3, we could meet three project managers and five project leaders. The feedback was collected from the team members after a detailed discussion was held to explain to them all the 13 questions. The feedback is collected and expressed in figures ranging from 1 to 5. A Likert's scale was used to examine the perceived significance representing 1 as low significance and 5 as high significance. The scores thus collected are further averaged for a consolidated weight for each item. The 13 items of the questionnaire as selected from Jain & Moreno (2015) under the KM process and culture for the study along with the respective averages of all the three companies are given in Table 1.

TABLE 1. FEEDBACK ON KM PROCESS AND KM CULTURE

Sl.No.	Statement	Feedback of Company1	Feedback of Company2	Feedback of Company3
KM Process				
1	My organization has a mechanism for gathering sophisticated and ethical intelligence	3.60	3.60	3.50
2	My organization has well-designed processes to systematically identify and fill the knowledge gaps	3.40	3.20	3.00
3	Managing organizational knowledge is central to our organizational strategy	3.40	3.20	3.00
4	My organization understands the revenue-generating potential of its knowledge assets and develops strategies for marketing and selling them	2.80	2.90	2.70
5	My organization has formalized the process of transferring best practices, including documentation and lessons learned	3.40	3.20	3.20
6	In my organization, individuals are hired, evaluated and compensated for their contributions to the development of organizational knowledge	3.00	3.60	3.80
7	In my organization, all employees are involved in looking for ideas in traditional and non-traditional places	3.00	3.20	3.00

8	My organization uses learning to support existing core competencies and create new ones	2.60	2.70	3.00
9	The “unexpressed what know, how to do “ (Tacit) knowledge of employees are valued and transferred across my organization	3.20	3.00	3.10
KM Culture				
10	In my organization, employees take responsibility for their own learning	3.20	3.70	3.30
11	My organization encourages and facilitates knowledge sharing	3.60	3.60	3.50
13	My organization has a climate of openness and trust	3.40	3.50	3.20
14	My organization acknowledges customer value creation as a major objective of knowledge management	3.60	3.50	3.40

DISCUSSION:

From the feedback collected from all the three companies, respondents concurred the most for sophisticated intelligence gathering mechanism, a well-designed process to systematically identify and fill the knowledge gaps and aligning organizational knowledge to organizational strategies as mostly contributing for the KM process. Further, they gave importance to hiring, evaluating and compensating individuals for their contribution in the organization, valuing and transferring “tacit” knowledge across the organization. Respondents from all the three agreed on these items indicating that the size of the organization is not important and team learning contribution is equally important on the KM process in all the firms.

With reference to KM culture, respondents from all the three organizations agreed on all the items giving utmost weight. Respondents through their feedback demonstrated that their organizations have an environment that encourages employees to learn on their own, share knowledge under the climate of openness and trust, leading to build customer value creation.

When the results were shared with project managers of all the three organizations, they have agreed that their organizations have KM process aligned with organizational goals and are provided with a process to identify and fill the knowledge gaps resulting in building a KM process. They also accepted that they have an environment that fosters self-learning, and share the experiences within and among the teams that help projects in successful completion.

CONCLUSION:

Knowledge Management has been considered as one of the key contributors in the organizational performance. Especially in IT organizations, it is considered to play a vital role in project success. While most of the organizations have understood the importance of knowledge management and embraced, some organizations though understood are still in the process of execution. The reason for the delay in the implementation of knowledge environment may be due to lack of

resources/support. While innovation and organizational performance are at the forefront of the business, organizations need to create an environment of sharing and provide proper technologies that enable employees to share their knowledge to foster innovation and improve organizational performance. This study was an attempt to understand the significance perceived by the project teams on the KM process and culture in the project success, in IT companies of different sizes. From the study, it is understood that organizations need to create a KM process and culture that helps in sharing the knowledge gained on projects in accomplishing future project success. This is important for an organization to be competitive and innovative.

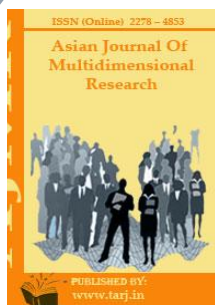
With this study, we also made an attempt to check the significance of size on the implementation of the KM process and culture for project success. From the results, it is observed that large and medium-size organizations have KM process and culture implemented, while some small organizations cannot implement due to lack of resources. However, there is very less significance of size on the knowledge management process and culture. In organizations where KM environment and technologies are provided, employees tend to learn from the KM process and culture through formal channels and in organizations where it is not implemented, learning takes place through informal channels and need to be based.

Though the results of this study are interesting, it is limited to only three organizations and as such cannot be generalized to the entire IT companies. The study may be further taken up by analyzing the significance of team learning, KM process and culture on project success by collecting sufficient data from several companies and using sophisticated statistical analysis.

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A STUDY OF THE EMPLOYEE ENGAGEMENT PRACTICES IN THE MANUFACTURING SECTOR WITH RESPECT TO HYDERABAD REGION

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ABSTRACT

The main objective of this paper is to clarify what is meant by employee engagement and importance, as well as to identify factors that are critical to its effective implementation. In this study takes an exploratory viewpoint engagement based on the extant literature and offers a conceptual model of employee engagement and its merits. Many researchers have linked employee engagement to business outcomes like productivity, quality improvement and retention of talent. Employee Performance indicates the financial and non-financial outcome of the employee that has a direct link with the performance of the organization and its success. A number of studies show that an important way to enhance employee performance is to focus on fostering employee engagement. The presence of high levels of employee engagement enhances job performance, task performance and organizational citizenship behavior, productivity, discretionary effort, affective commitment, continuance commitment, levels of psychological climate and customer service. This study intends to study employee engagement in Indian Manufacturing Sector. The method of research is based on the descriptive method and the primary data has been collected with the help of questionnaire in a few companies and secondary data has been collected from various sources.

KEYWORDS: Employee Engagement, Leadership, Empowerment, Performance Appraisal, Productivity

INTRODUCTION

Employee engagement has emerged as a significant driver of business success in today's competitive marketplace. Further, employee engagement can be a deciding aspect of management success. Not only does commitment have the potential to significantly affect employee withholding, efficiency, and reliability, it is also a key link to customer satisfaction, company status and stakeholder value. Thus, to gain a competitive periphery, organizations are turning to HR to set the agenda for employee engagement and commitment. Employee engagement is termed as "the extent to which workers commit to something or someone in their organization, how hard they work and how long they stay as a result of that commitment." This study shows that the connection between an employee's job and organizational strategy, including understanding how essential the job is to the firm's success, is the most important driver of employee engagement. It is observed that the employees with the highest levels of dedication to performing twenty percentages are better and are percentages are less probably to leave the organization, it indicates that engagement is related to organizational performance. In contrast, job satisfaction—a term sometimes used interchangeably with employee engagement—is defined as how an employee feels about his / her work, work atmosphere, pay, benefits, etc. The satisfied people are with- in their job, the more satisfied they are said to be. Job satisfaction is not the same as empowerment or Aptitude although it is clearly linked. Job Design aims to enhance job satisfaction and performance methods include Job Rotation, Job Enlargement, and Enrichment. Other influences on satisfaction include the management style and culture, employee involvement, Motivation and independent work point. Job satisfaction is a very vital attribute which is repeatedly considered by organizations. The most regular way to measure the dimension is to use rating scales where employees report their reactions to their jobs.

LITERATURE REVIEW

During the course of study conducted all over the world, several factors have been found to affect the levels of commitment of an employee in an organization. A few of them are discussed in the following work

Career Development: organizations with highly engaged employees provide their employees with ample opportunities to learn skills, develop abilities, acquire knowledge and reach their potential. Career development practices help organizations retain talented employees and also provide personal development opportunities.

Career development is a global factor in employee engagement. Also the adequate level of employee development via training, skills, and learning can result in making employees more engaged with respect to the job and the organization.

Leadership

Employees show more engagement towards the organization when they see themselves getting praised by their immediate managers, they have the leadership's attention. Leadership dimensions that are found to be most influential are making up a good mentor or manager and articulation of the vision. The quality of leader-member exchanges between supervisors and employees affect the engagement levels of the employees

Empowerment

Employees feel that they should be able to express their views for decisions that might affect their functions. The leadership of highly engaged workplaces makes a challenging and trusting environment, wherein employees are urged to disagree with prevailing orthodox practices, to innovate and help the organization grow

Performance Appraisal

Another important criterion for evaluating the engagement level of an employee is the fair rating of the performance of the employee. An organization following an appropriate appraisal technique, known to be unbiased and transparent, tends to show a higher level of employee engagement. Communication between manager and employee regarding performance expectations and role clarity with respect to the employee's role also increase engagement levels.

Talent Recognition:

Factors affecting job satisfaction and employee engagement were analyzed and in that, it was found, in most sectors, few non-financial motivators are usually effective in building employee engagement in the long term. The antecedent rewards and recognition is correlated positively with organizational engagement.

Productivity:

A positive relationship is found to exist between the engagement of employees and organizational citizenship behavior and a relationship of negative nature exists between engagement of employees and counterproductive work behavior. Engaged employees connect immensely with their tasks at work. They constantly work hard towards goals that are required of their roles and tasks.

R.N. Misra (September 2009) has described employee engagement in detail with the example of a US-based company. He starts with the introduction of employee engagement. He also describes Ingredients of Employee Engagement, then categories of employees such as engaged employees, not engaged employee and actively disengaged employees. He further explains the drivers of Employee Engagement, types of Employee Engagement such as Emotional Engagement and Rational Engagement. He also discussed the reasons why an employee leaves an organization, why companies perform badly. And he has also given advantages of engaged employees.

N. Rajgopal& Abraham, Sunu Mary (August 2007) discuss the 8 key drivers of Employee Engagement and some models of employee engagement. He has also stated the competitive advantage of Employee Engagement.

Dutta, 2006 pointed that product and processes cannot help organization sustain loyal customers they also need highly motivated, dedicated and involved employees who are very passionate about their work and organization, in short, they need “Engaged Employees”.

Mahendru and Sharma, (2006) emphasized that a successful organization is built with its employee's contribution – a contribution that will not effective unless its employee is engaged in strategic decision making and other initiatives.

Sangeetha, (2006) stressed that business success is directly linked to the commitment of the employee and also stated that successful companies are those that recognize opportunities to foster employee engagement.

Objectives of the Study:

- To study the Employee Engagement practices in the Indian Manufacturing Sector.
- To study the perception of employees with respect to the Employee Engagement practices in the Indian manufacturing sector
- To know whether employees have sufficient tools to enable adequate engagement within the organization.

RESEARCH METHODOLOGY:

In this is studied Primary data has been collected by the researchers with the help of a structured questionnaire administered to 200 employees across 5 companies

A research questionnaire was designed that covers all possible dimensions of Employee Engagement.

This was then used to gather responses from in the Indian manufacturing sectors in the Hyderabad region.

The research design is qualitative as well as quantitative.

The research method is the Field Survey Method.

The sample size is 200. The Sampling Method is Convenience and Judgement Sampling.

Data Analysis & Interpretation:

Primary data has been collected by the researchers with the help of a structured questionnaire administered to 200 employees across 5 companies in Hyderabad region. The response to the questions in the questionnaire is as follows –

1. I would recommend this organization to my friends or family members as a good place to work.**TABLE 1**

Response	Percentage
Strongly Disagree	7.77
Disagree	11.11
Neutral	1.11
Agree	34.44
Strongly Agree	45.56

It is found from the above table that 34.44% of people are stating that they agreed for good place to work in the company and 45.56% of people are stating that they strongly agreed on for a good place for work in the company.

2. I believe the company has a great future**TABLE 2**

Response	Percentage
Strongly Disagree	3.33
Disagree	5.56
Neutral	8.33
Agree	33.89
Strongly Agree	48.89

It is observed from the above table that 48.89% of people are stating that they agree that there is great future in the company and 37.22% of people are stating that they strongly agree that there is great future in the company

3. I feel a strong sense of loyalty to the company

TABLE 3

Response	Percentage
Strongly Disagree	2.78
Disagree	7.78
Neutral	3.38
Agree	48.89
Strongly Agree	37.22

It is observed from the above table that 48.89% of people are stating that they agree for the sense of loyalty with the company and 37.89% of people are stating that they strongly agree for the sense of loyalty with the company

4. I see myself continuing to work for this organization two years from now

TABLE 4

Response	Percentage
Strongly Disagree	0
Disagree	5.56
Neutral	13.89
Agree	31.11
Strongly Agree	49.44

It is observed from the above table that 31.11% of people are stating that they agree for willing to continue this work and 49.44% of people are stating that they strongly agree for willing to continue this work.

5. I always feel excited and enthusiastic about my job

TABLE 5

Response	Percentage
Strongly Disagree	2.22
Disagree	8.33
Neutral	5.55
Agree	40
Strongly Agree	43.89

It is observed from the above table that 40% of people are stating that they agree for a strong sense of commitment and 43.89% of people are stating that they strongly agree for a strong sense of commitment.

6. I have a clear understanding of how my job relates to the company's goal

Response	Percentage
Strongly Disagree	5.22
Disagree	5.33
Neutral	7
Agree	26.67
Strongly Agree	55.78

In the above table that 26.67% of people are stating that they agree for have a clear understanding of the job and 55.78% of people are stating that they strongly agree for have a clear understanding of the work

7. My talents and abilities are utilized well in my current job

It is observed that 43.33% of people are stating that they agree for talent and abilities are utilized and 33.89% of people are stating that they strongly agree for talent and abilities are utilized

8. The pace of the work in this organization enables me to do a good job

It is observed that 32.78% of people are stating that they agree for the pace of work in the organization and 39.44% of people are stating that they strongly agree for the pace of work in the organization

9. I am paid fairly for the work I do

It is observed that 38.33% of people are stating that they agree for paid fairly for the work and 40% of people are stating that they strongly agree for paid fairly for the work

10. Wages for employees in the same role would approximately be the same across the organization

It is observed that 37.78% of people are stating that they agree for salary for the employees in the same role is same and 31.67% of people are stating that they strongly agree for salary for the employees in the same role is same

11. I get timely and accurate feedback on my performance and growth

It is observed from the above table that 30% of people are stating that they agree for I get timely and accurate feedback and 37.22% of people are stating that they strongly agree for I get timely and accurate feedback.

12. The appraisal process is fair and transparent

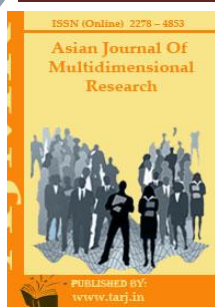
It is observed that 28.89% of people are stating that they agree for the appraisal process is fair and transparent and 35% of people are stating that they strongly agree for the appraisal process is fair and transparent.

CONCLUSION:

Supervisors and Managers should meet at regular intervals with the employees to discuss the improvement in the company, at work place and in their living of standard, family problems, etc. The gap between managers and employees should be reduced by raising the level of engagement. For example: by conducting extra co-curricular activities like social and cultural programs. Few employees feel that their ideas or work can't be recognized or appreciated. So encourage them by making them feel that their ideas, as well as they, are important for the company. It is a positive attitude held by the employees towards the organization and its values. It is rapidly gaining popularity, use, and importance in the workplace and impacts Organizations in many ways. Employee engagement emphasizes the importance of employee communication on the success of a business. An organization should thus recognize employees, more than any other variable, as powerful contributors to a company's competitive position. Therefore employee engagement should be a continuous process of learning, improvement, measurement, and action

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KIRKPATRICK RULES THE TRAINING WORLD

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I ABSTRACT

Organizations all over the world spend a huge sum of money on Training. It is a surprise after spending considerably; they fail to evaluate the training programs. This article gives a reference about a popular model of Evaluation for practice across organizations. This model referred is widely acclaimed across the world and quotes in simple terms about the evaluation parameters. These parameters which are four in numbers to evaluate, start with a simple measure of Reaction, continued by Learning, followed by Behaviour and finally concluding in Results. The order of difficulty of evaluation progresses as one goes up the evaluation level. Though the initial phases of evaluation are simple and easy to adopt, the increasing levels require more resources, effort and time. However, each organization can decide on the levels of evaluation as per the requirement and resource availability.

KEYWORDS: *Considerably, Availability, Evaluation*

INTRODUCTION

II. FOREWORD

Companies all over the world spend billions of dollars every year for training their staff. According to the ATD 2016 State of the Industry report¹, organizations spend an average of \$1,252 per employee on training and development, and the average the employee receives 33.5 hours of training per year. These numbers indicate that training is an essential component of most organizations.

Employees' training has become an important tool through which an organization can improve its service quality, decrease labor cost and increase productivity and profitability (Kim, 2006)⁸. The focus has been shifted to the real utilization of the training inputs which may contribute significantly to the growth of the organization. These training programs encompass all kinds of training from a

four hour 'How to use Excel more efficiently' in-house and hands-on session to a year-long diversity management initiative. Every training program should aim at enhancing performance and enriching the contributions of the workforce. Hence it is imperative that training evaluation forms the most important aspect of training and development. It is a subject which has been much discussed but superficially carried out.

One key issue confronting trainers today is how to ensure the usefulness of a training program to an individual and how to evaluate the effectiveness of training. Measuring the effectiveness of training programs consumes valuable time and resources – time and resource that are already in short supply. One needs to think carefully about how and to what extent to evaluate the results of training. They also suggest that we need to shift our focus away from measuring 'how much' and more towards 'how well'. How do we know if a training program is effective? Are employees actually learning? Is employee performance improving?

III.PROGRAM EVALUATION

Program evaluation is the final phase in the training process, during which, the effectiveness of the training program is measured. 'This is an important but often ignored activity.' Careful evaluation provides information on participants' reaction, how much they learn, whether they use what they learned, back on the job and whether the program improved the organization's effectiveness. This information helps firms decide whether to continue to use a particular program in the future, whether to use a particular methodology of training in the future or use some other HRD intervention technique to solve the problem.

Boulmetis and Dutwin (2000) defined evaluation as the systematic process of collecting and analyzing data in order to determine whether and to what degree objectives were or are being achieved. Schalok (2001) defined effectiveness evaluation as the determination of the extent to which a program has met its stated performance goals and objectives. Training evaluation is often defined as the systematic process of collecting data to determine if training is effective (Goldstein & Ford, 2002; Noe, 2002)¹.

Easterby-Smith reviews both the reasons for evaluation and some of the reasons why it is found difficult². The reason why evaluation is rarely conducted include:

1. The absence of clear objectives and standards of achievement for the course.
2. Lack of interest by line managers, who have not forced trainers to provide clear statements of benefits achieved.
3. A lack of interest among trainers and educators who are characteristically more interested in delivering the course than reviewing the results.
4. The actual difficulty in constructing relevant analytical processes.

The evaluation may not be so easy because many a time it is hard to set measurable objectives and much harder to collect the information as the results or to decide at which level evaluation should be made. A good place to start is with the Kirkpatrick Model. One may measure reaction, learning, behavior, and results.

IV.KIRKPATRICK'S FRAMEWORK

Donald Kirkpatrick's four-level evaluation model remains on the most well-known model today. Kirkpatrick developed his model in the late 1950s and the model has since been adopted and modified by a number of writers.

What to evaluate (choice of evaluation criteria) is crucial to the evaluation strategy. The Kirkpatrick evaluation framework is the most commonly used framework in training evaluation (Kirkpatrick,1994). The taxonomy describes four stages of evaluation³: The taxonomy is commonly referred to as Level1 (L1), Level2 (L2), Level3 (L3) and Level4 (L4)⁹.

Reaction: This level measures how learners have reacted to the training, the relevance and usefulness of the training. Whether the participants were pleased with the program as demonstrated by their immediate reactions about the trainer, method of presentation, usefulness, and interest of the subject matter, facilities, etc., This level measures how learners feel about the training⁶. This is the first data you need to understand how well the training was received, how the learners react to it and identify any gap that needs improvement. Although the data won't give you immediate or obvious insights into your ROI, this level is the foundation of any development of employee training programs in the future.

An employee who has considerably gained skill and knowledge from the training will be willing to apply it on the job, thus bring a positive reaction. This could be a barometer for measuring employee's general attitude, expectations and motivation. Although subjective, the reaction also provides feedback on training style and content. Evaluation at this level is commonly used⁷. Measurement is useful in fostering management support for the training program.

According to Kirkpatrick, the training program should at least first evaluate at this level to help improve on the conceptualization and design of the training program. Employee reaction at this level measure satisfaction derived from training. At the end of L1, you should have a good understanding of how well the training was received and determine any gap in the training content.

Learning: The second level of evaluation measures the knowledge and skills learners gain from the training. Whether the participants have learned new knowledge, skills and attitudes reflected through changes in their abilities as a result of training. To conduct the measurement, you need to have a little planning in advance — determining the objectives of your course. What knowledge do you want your learners to absorb as a result of the training? What skills do you want them to master?

The second area of measurement, achieving learning objectives is a type of post-training evaluation of knowledge and skill gained through the training intervention and which will ultimately translate to improving job performance. A positive emotional reaction and increase practical skill and knowledge of functional concept are an indication of successful training and a requirement for meaningful HRD program. Learning can be described as the degree to which training has impacted an employee's work-related attitude. It also connotes the level at which employee's skill is broadened and knowledge widened as consequences of training.

At this stage of evaluation(L2), you will be able to determine if the training is meeting its set objectives, what are the specific skills that can be developed with the training, and the scope for improvements in content and method of delivery.

Behavior: The third level of evaluation measures how employees apply what they have learned. Whether the participants changed their behavior based on what was learned as shown by changes in

job performance. This assessment is an extension of level 2, where you can determine whether the training has an impact on your learners' behavior, attitude, and performance at work.

The third approach to measuring the effectiveness of training focus on behavioral changes. The third level of evaluation is about work-related behavioral changes which reflect in performance. This entails studying the changes in employees work-related behaviors as a result of training. While emotional reaction and knowledge gain can be easily accomplished immediately after training sessions, measuring behavioral changes requires some time lag for an employee to fully implement the newly acquired skill and knowledge.

A common method of measuring behaviors is to set initial performance objectives. Accomplishing the set objectives is a measurement of transferring emotional reaction and learned knowledge into behavioral changes. At L3, learning measurement happens how the training has impacted the learner's performance, attitude, and delivery at work.

Results: The fourth area in the Kirkpatrick model revolves around the impact of training and development on the organization. The measurement is based on the notion that training and human resources development must reflect the organizational culture and strategy.

Whether the change in behavior positively affected the organization in terms of reduced turnover, improved safety, higher productivity, a decrease in employee grievances, etc., This level is the most practical way to calculate the ROI of your training as it measures tangible results that the training brings to your business.

A training program is judge successful only if the training outcome aligned closely with the organization's goals. At L4, tangible results of the training such as reduced cost, improved quality, faster project completion, increased productivity, employee retention, better marketing leads, increased sales and higher morale are measured¹².

Although measuring the effect on the organization is apparently a difficult task because of the complex structure of components part and its interaction with the external environment. For example, separating pre and post-training and development may not necessarily provide a distinct change in profitability or productivity. Also measuring trend in external environment impact may be a practical method of measuring training and HRD impact on the organization.

Short Term and Long Term Evaluation: Kirkpatrick's model seems to point out four well-conceived pillars on which measuring effectiveness in HRD and training is based. Emotional reaction and knowledge learned are key concepts in evaluating training efficiency. These factors are in short term indication of the direction of human resources development of an organization. Behavioral changes and impact on the organizations are the other two measurement cornerstone of human resource development. These represent long term evaluation which indicates the steps towards meeting individual, management and organizational objectives.

As presented in Kirkpatrick's model, the model actually does not represent the required balance of four evaluations, they invariably complement one another. Without short term evaluation measurement, training runs the risk of imparting knowledge that is not transferable or irrelevant to the organizational goals. Without a proper emphasis on evaluating behavioral changes and impact on the organization, training may be successful but its benefits to the organization may be quite limited or in some circumstances detrimental.

Chain of Evidence: One of the concepts that Kirkpatrick talks about is identifying a ‘chain of evidence’ that provides compelling proof of the value of training to the organization⁹. He encourages us to supply a preponderance of proof, rather than providing the value beyond a shadow of doubt¹⁰. This is an important differentiation for trainers and training leaders who have beat their heads against the wall to prove empirically that their training was specifically what impacted results in a positive way.

Given their importance, one might expect that human resource development programs are regularly and carefully evaluated. Unfortunately, this is not the case. A survey of management training and education practices of U.S companies found that while 92 percent of companies surveyed conduct, some form of evaluation for the company sponsored training, 42 percent conduct no evaluation at all for the executive MBA programs they used. In addition, the survey showed that the most commonly used form of evaluation was a participant reaction, is useful for only a few of the decisions that must be made about human resource development programs⁵.

V. EPILOGUE

Measuring the effectiveness and performance of your training programs can be overwhelming at times. Most people immediately think about ROI, however, there are other things that you can look at¹³.

The lack of evaluation of human resource development programs has been lamented by a number of human resource development researchers. Many articles have been written about the importance of conducting evaluations, but more organizations pay lip service to evaluations than actually conduct them.

Why evaluation is necessary? Evaluation helps to see where one is getting along with intervention and investment. The objective of the training program is an improvement and this improvement must be tangible and effective. It is possible for someone to leave a course having enjoyed it and believe they learned a great deal. It is only when they apply this knowledge, they discover, whether the training was effective as they thought.

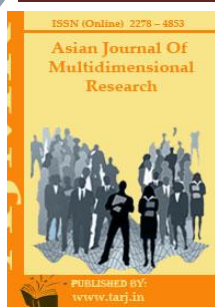
Among methods of effective evaluation, ‘Kirkpatrick model’ is considered to be the industry standard and is frequently used by Human resource function when determining their own systems. This is a widely used framework has been confirmed by many authors¹¹. With this four-level model designed by Kirkpatrick, training evaluation definitely becomes easier to process. Moreover, companies should never forego the evaluation of their training programs to ensure that their programs are indeed effective.

Hence for the training programs to be effective, Kirkpatrick’s four levels - all of them - need to be used, to get your training department and operations on the same page, the same side, to jointly win the battle. As a sequel, you will feel less vulnerable to downsizing and you might even achieve nirvana!

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TALENT MANAGEMENT: THE WAY IT IS ADOPTED AMONG STARTUPS IN HYDERABAD

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ABSTRACT:

Talent Management the seed that reaps rich and lasting dividends is among the most to be prioritized activities that are taken by Human resources managers. Talent Management includes recruiting, sustaining, developing, rewarding and retaining the talent acquired. Talent Management refers to the skills of attracting highly skilled workers and integrating them into the team to meet the current and future business objectives. Human capital is the most precious among factors contributing to production in the business world today. Organizations need to take up talent management as a proactive approach. Each company adopts its own approach for managing talent. Today's workforce is very agile and the organizations need to reshape themselves constantly in fostering and development of advanced cognitive technologies to cater to the numerous employee-related processes. The result from a new McKinsey Global Survey (nov2017) confirms the positive effects of Talent Management on business outcomes. This paper aims at studying the different approaches adopted by startups in Hyderabad for managing talent.

KEYWORDS: *Talent Management, Startups.*

INTRODUCTION:

Talent Management can be defined as “the process through which Organizations anticipate and meet their needs for talent” (Cappelli & Keller, 2014.)

Human capital is the most precious among factors contributing to production in the business world today. Organizations need to take up talent management as a proactive approach. Each company adopts its own approach for managing talent. Today's workforce is very agile and the organizations

need to reshape themselves constantly in fostering and development of advanced cognitive technologies to cater to the numerous employee-related processes.

The result from a new McKinsey Global Survey (Nov 2017) confirms the positive effects of Talent Management on business outcomes.

Managing Talent can be cited as the most important activity as employers compete for the best employees. Among the various issues that arise in talent management, skills gap or the difficulty in filling jobs can be one. This could be due to the lack of talent possessing the skills needed to succeed.

The objective of the Study:

The main objective of the study is to explore the implementation of Talent Management among startups in Hyderabad.

The secondary objective of the study is to identify whether talent investments are being enhanced among startups.

METHODOLOGY:

The methodology for the study is descriptive, for an empirical analysis structured questionnaires were administered among employees in a few startups in Hyderabad. The data collected in the form of responses from the employees at the startups were analyzed and the information has been presented.

The study of this kind is intended to analyze the ways through which talent management is adopted among startups, and dwell upon the strategies adopted by the organizations to enhance talent among their employees.

LITERATURE REVIEW:

Eric & Mahesh (2017) have based their concept development on a theoretical framework used in supply chain management (SCM) called the collaborative planning, forecasting, and replenishment (CPFR) approach. This approach was used to develop a comprehensive model of talent supply chain management for managing and developing the flow of talent. During the course of their study, they had observed that the biggest issues in talent management are skills gap or difficulty in filling jobs due to a lack of talent possessing the skills needed to succeed.

Meyers and Woerkom (2014) were of the opinion that Talent Management is to be considered as “the systematic utilization of Human Resource Management (HRM) activities to attract, identify develop and retain individuals who are considered to be talented”

Julie N Cho’s contribution during the international conference on enterprise information systems (2017), set out with the research question as what is the potential impact of talent analytics on change management within project management organizations. In the study the emphasis was laid on big data analytics (BDA) which is defined as “a holistic process that involves the collection, analysis, and interpretation of data for various functional divisions, it has emerged as a new strategic tool that can further the transformation of TM practices.”

Schiemann (2014) addressed questions like the importance of talent life cycle, how to get to know when talent investments have been optimized, and concepts of People Equity, etc in the study. A figurative representation of the talent life cycle and its importance was illustrated in the study. Through which all the stages of interaction between an organization and its human capital were

explained. The stages ranged from building a talent brand that attracts the right talent to acquiring, on boarding, developing, managing, retaining and even recovering talent.

Odunayo Salau, Anthonia Adeni (2018) their article presented an integrated data on talent management practices and innovation performance of academic staff in a technology-driven private university in Nigeria. The study adopted a quantitative approach with a survey research design to establish the major determinants of talent management practices. The findings identified talent development and retention strategies as predictors for facilitating innovation performance in the sample.

Teri Okoro (2016), through their paper, argued that a strategic response prioritizing diverse talent as a key resource for delivering projects and programs will not only enhance project success by increasing skilled project personnel but also ultimately increase women's participation at all levels of project, program and portfolio management.

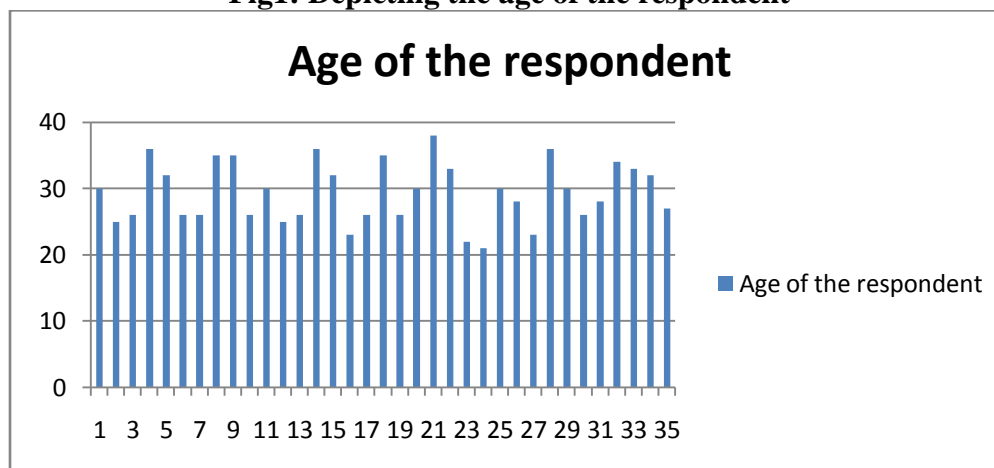
Bret Crane (2019) presented a theoretical model that describes the interaction between social and human capital and the different forms that such an interaction may take- positive and negative. Extending the concepts of stocks and flows of knowledge, the model evaluated social capital flows against human capital stocks. When they compared the flows to the value of human capital, they were able to understand with each other, the influence of global talent development and change overtime. They also discussed the implications of global talent management in selecting, developing and harnessing talent.

During the literature survey that was conducted, it was observed that there were not many studies that included talent management among startups in Hyderabad. Based on the gaps and observations the researcher has made a modest attempt to explore talent Management: The way it is adopted among startups in Hyderabad.

For the purpose of the study hundred questionnaires were mailed and a few among them distributed personally at five startups in Hyderabad. The responses were collected and analyzed.

Analysis of Data and Results: Talent Management activities undertaken and the opinion on the initiatives were collected in the form of responses from around thirty-five HR employees of five startups in Hyderabad, the responses were analyzed with the help of excel.

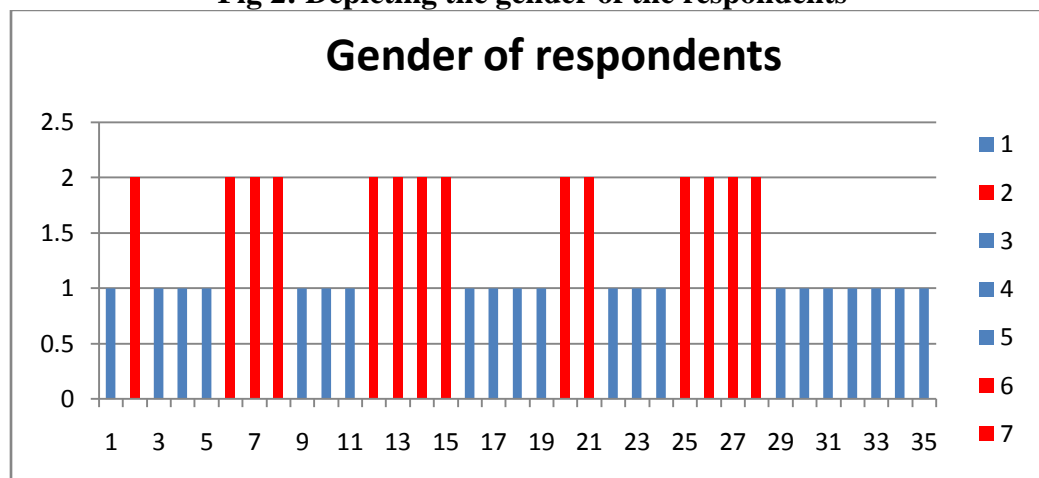
The analyzed data has been presented below. For the purpose of the study, care was taken to cover all age groups of Hr employees to understand the perspective of talent management in each organization. The analyses showed that the age of the respondents varied from twenty-one years to thirty-eight years. The figure below represents the age of the various respondents.

Fig1: Depicting the age of the respondent

(Source: The figure is the outcome of the analyses undertaken by the researcher)

It was observed that the respondents belonged to the age group between 21 to 38 years of age. The designations of the respondents varied from Hr trainee, talent acquisition specialist, Hr Generalist, Hr Recruiter, Hr manager, Sr manager Hr, etc.

From among the respondents it was observed that majority of the respondents were women, as shown in the figure illustrated in the next page.

Fig 2: Depicting the gender of the respondents

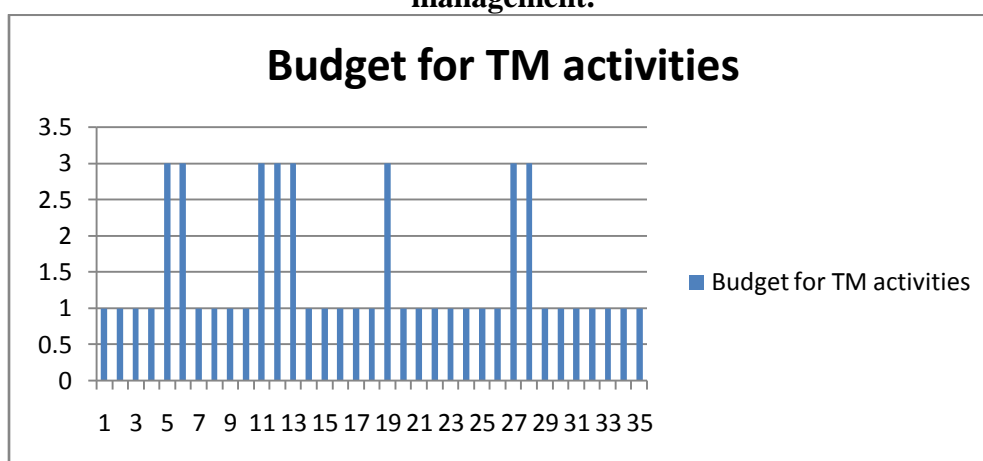
(Source: The figure is the outcome of the analyses undertaken by the researcher)

As can be understood from the figure above, represented through the color red; among the respondents' female employees as Hr in various positions was noticed to be higher. It was observed during the survey that the startups make an effort to recognize the talent among the employees through the performance of the employees, the skills they possess and the qualifications of the employees. The analysis showed that most of the startups recognized talent through performance.

Each organization has its own unique way of initiating talent management, a few initiatives have been suggested by the researcher and graded by the respondents among which, assessing candidates in the hiring process itself and aligning employee with mission and vision of the organization were graded higher in comparison with other options which were, creating a culture where the employee

wants to stay in the organization and identifying the gap between current employee and required competency. From among the activities that are chosen for developing the talent of the employees, it was observed that workshops and short term assignments were preferred to be undertaken in the organizations' for enhancing the talent of the employees as compared to e-learning and virtual instructor lead training. For a question on which the respondents were requested to grade their opinion from 'strongly disagree' to 'strongly agree' regarding a few statements relating to talent management. Assessing a candidate's skills earlier in the hiring process, creating a culture that values employees work, creating policies that encourage career growth and development opportunities, rewarding top performing employees. 90% strongly agreed to assess a candidate's skills earlier in the hiring process and creating policies that encourage career growth and development opportunities would help Hr personnel in enhancing talent management among employees.

Fig 3: Depicting the budget allocation in the form of compensation for enhancing talent management.



(Source: The figure is the outcome of the analyses undertaken by the researcher)

The results of the analysis showed that in most of the organization's talent management through financial compensation is in the form of basic pay and health benefits as compared to retirement plans, child education benefits and share options that could be given to the employees.

The responses to the question regarding whether they expect the budget on recruiting, training and retaining employees would increase, decrease or not change much during the next few years. The analyses of the responses showed that the budget would increase to be 100%. This is a positive sign that the startups in Hyderabad are quite proactive in their approach regarding talent management.

For the questions regarding whether Hr believes that implementing good talent management procedures will enhance the performance of the organization and whether they agree that implementing talent management strategies would enhance the skills and performance of employees. The analysis of the responses showed a 100% positive response to both the above questions.

From the results of the analysis, it can be stated that the main objective of the study to explore regarding the implementation of Talent Management among startups in Hyderabad has been achieved as though the startups are in their infancy they definitely are prioritizing talent management in their respective organizations.

The secondary objective of the study to identify whether talent investments are being enhanced among the startups has been met with as the responses have been positive regarding the budget on talent management activities among startups in Hyderabad.

LIMITATIONS OF THE STUDY:

Although the theme was to study talent management: the way it is adopted among startups in Hyderabad, the ways through which talent is managed cannot be generalized, as they differ from organization to organization.

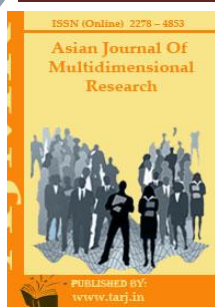
This study could not be extrapolated beyond the companies covered in the sample.

CONCLUSION:

It can be concluded that the results of the study have been encouraging regarding the talent management initiatives taken up by startups in Hyderabad, and the startups are enhancing the investments made on talent management activities over the years.

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A STUDY ON HR PRACTICES IN HOSPITALS IN HYDERABAD

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ABSTRACT

Hospital is a health care institution that provides treatment to patients with specialized medical and nursing staff and medical equipment. This review paper deals with HR practices in hospitals. A hospital comprises of clinical and nonclinical staff where the Human Resources play a vital role in the hospital industry. A role of Human Resources in a hospital industry is critical so as to recruit talented employees, provide and promote a positive work culture. The hospitals in Hyderabad are taken into consideration. These hospitals cater to a large number of patients and this paper deals with the HR practices like the recruitment, Selection, Training, Compensation administration in the hospitals will be presented in this paper.

KEYWORDS: *Hr Practices, Health Care, Hospitals, Hiring, Personnel Management, Selection, Training, Compensation Administration, Hr Management Functions.*

INTRODUCTION

The asset of any organization is the employees. Moreover, the success of any organization depends on the employees of that organization. Managing employees with business practices are said to be Human Resource Management.

Human Resources is the department in an organization which oversees the welfare of the employees. This Human Resource Management has a certain function like Recruitment, Selection, Placement, Induction, Training, Job evaluation, Performance Appraisal, safety, Labor laws, Team building, Motivation, etc. Performing these in functions helps to have a free flow of operations in an organization. Almost every organization has Human Resources functions. However, this review paper is limited to consider the HR functions which includes Recruitment, Selection, Training, Compensation administration and HR management functions of Hospitals.

The HR managers play a vibrant role in hospitals, However, the choices they make and the decisions they take affect the quality of care patients receive in the hospital. The American Society for Health care Human Resources (ASHHRA) says that the presence of an HR manager in a health care facility

is essential in delivering effective services. The HR job designations in a hospital generally include Recruiter, Compensation Manager, HR Generalist, Training and Development Manager.

The basic function of HR starts with Recruitment. Recruitment means the process of searching and inspiring prospective employees. According to Edwin B. Flippo "Recruitment is a process of searching for prospective employees and stimulating them to apply for jobs in the organizations". According to P. Subba Rao "Recruitment is a process to discover the sources of manpower to meet the requirements of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective seal

Selection is a function of HRM. It is the process of choosing the right and appropriate candidate that fits in absolutely in that job. Selection is all about choosing the applicant who has the right qualities a person who fits the vacant job.

Training provides technical skills and knowledge. According to Dale S. Beach " Training is the organized procedure by which people learn knowledge and/or skill for a definite purpose". According to P. Subba Rao "Training is the short-term educational process and utilizing a systematic and organized procedure by which employees learn technical knowledge and skills for a definite purpose.

Compensation is the function of HRM where is deals with the reward that the employee gets for the work he/she has done. This is the major function in any organization that provides the motivation factor to the employees.

REVIEW LITERATURE:

According to Gajendra Singh and Karan Singh Negi (2013), conducted research Human Resource Management Practices in Large Hospitals of Dehradun, Uttarakhand. Managing human resource is a **major** challenge as it requires the round the **clock HR supports**. According to Clarrie Harris, Penny Cortvriend, Paula Hyde (2007) stated that relationships have been found between a range of HRM practices, policies systems, and performance. Despite being an important concern for HR professionals, there is little research exploring the link between HRM and performance in the health sector. According to Dr. Ajaz Akbar Mir(2012), stated that to have an easier look at the application of the concept of HRM in the organizations, particularly hospitals. According to Mrinali Babu Rao Tikare(2014), stated the relationship between Human Resource Management (HRM) practices with employee satisfaction and the objective of the study is to analyze the implementation of Human Resource Management practices in Hospital Industry and its impact on the perception of employees which leads to Satisfaction or Dissatisfaction. According to B Longmore, L Ronnie (2014), stated the potential impact of various HRM practices on the retention of public sector doctors in the Eastern Cape and was understate perceptions of how these practices are being executed in a SA setting that is facing significant retention challenges. According to Guler Saglam Ari, Ilkyaz Ozenci (2018), research on the relationships between the Human Resource Management and Practices and Perception of Organizational politics in the Hospitals'. According to Ruchi Verma, Jatinder Kaur (2015), stated that since all health care is ultimately delivered by and to people, a strong understanding of the human resources management issues is required to ensure the success of any health care program. Further human resources initiatives are required in many health care systems, and 4 more extensive research must be conducted to bring about new human resources policies and practices that will benefit individuals around the Nation. According to Ramesh Bhat, Sunil Kumar, Maheshwari (2004), stated the status of professional commitment, organizational commitment and technical competencies of health officials, the characteristics of human resource

management practices in the health sector in the state and how these management practices are linked with professional and organizational commitment. Finally, the paper discusses the implications of these to health sector reform process. According to Philipos P Gile(2013), according to hi, there is a need to develop systems approach of assessing the structural and process dimensions and apply the comprehensive model to analyze the correlation between strategic HRM and employee performance at the micro and macro level. According to Junaaid Siddiqui (1998), stated that how the health care industry can benefit from new concepts, as well as to describe how the traditional health care facilities can adapt these new ideas. According to Hassan Mohamed Elarabi, Fuadah Johari (2014) stated that effective human resources management has a strong impact on healthcare quality and improving the performance of the hospital's staff. The study suggests the need to measure the performance of the managers of human resources department in the hospital before starting a performance development process as well as continuous development and training of staff performance. According to Nica, Elvira (2013) stated trends in scholarship about the role of HRM in strategic management, the migration of health workers, human resource professionals attempt to deliver high-quality healthcare to citizens and the importance of human resources in the health care Industry.

OBJECTIVES OF THE STUDY

1. To assess the Human Resource Management practices in the hospitals on Hyderabad.

RESEARCH METHODOLOGY

The four private super specialty hospitals in Hyderabad are taken into consideration for this study.

This study is carried out on the basic information that has been given by the designated employees of the hospital on the personal visits basis of personal interviews done and has taken necessary inputs.

PROCESSES AND PRACTICES

This study reveals the major practices that are adopted in these large hospitals.

The main function of the HR department included: Recruitment and Selection, Training, Compensation management.

RECRUITMENT AND SELECTION

The recruitment and selection process includes screening, sorting the applicant's resume and selecting the best candidate from the available choices. The two main sources of recruitment used by the majority of the hospitals are the advertisement and the job portals. The first screen the resumes and are called in for the interview. Conducting the interview is taken by the HR manager. However, for the selection of nursing staff and ward attendants, the Nursing Superintendent is responsible for conducting the interviews. The interviews for the new medical staff is taken by the Medical Superintendent and the Chairman wherein with the support of the HR Manager. The appointment letter and the offer letter is issued to the appointee on the basis of the performance of his/her in the interview. Later the salary is discussed based on certain constraints such as qualification, experience, etc by the HR manager. Thereafter the appointee is welcomed to join the organization.

TRAINING:

Training is one of the major functions that is adopted by all these hospitals. Different training practices were adopted in these hospitals with respect to the new joiners including the old staff. The area that the general training is given to the entire staff includes in medical disposals, Hand washing

techniques, safety measures, health and hygiene, Hospital safety policy, Patient safety, Fire safety, hospitality. The training for new medical joiner goes on by assigning the joint under the supervision of the experienced doctor where the joiner is trained under him/her. The training for the nurses is given by the head nurse; the new nurse joiner will be under the supervision of the head nurse and are made to learn the nursing practices that are required. The general time frame for the training period for a new joint Doctor or Nurse would be a minimum of 3 months to a maximum of 6 months. The training is a regular process in these hospitals since the new equipment is imparted for the provision of better treatment to the patients.

COMPENSATION MANAGEMENT:

Compensation is the pay that the employee receives for the work they have done. Based on the study it is figured these hospitals develop a salary structure on the basis of the company's intended position within its market. The shifts of the employees (Doctors, Nurses, Technical staff, nonmedical staff) are in the rotation. These hospitals ensure that the salary structure is maintained and monitored in a systematic manner. These hospitals are keen on being ensured that the salary administration program complies with the applicable laws.

SUGGESTIONS:

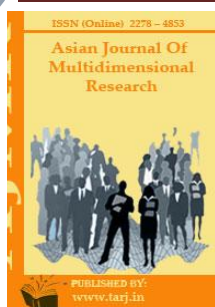
- 1] The medical and Paramedical staff must be introduced in the training programs of Human Resource modules.
- 2] Training programs must be imparted on a frequent basis both in and outside the country for the better organizational benefits
- 3] The hospitals are suggested to expand the recruitment sourcing for a better selection of candidates.
- 4] The compensation structure must be imparted with respect to the laws.
- 5] Bonus schemes. Incentives etc must be given to the employees in order to create motivation for the employees.
- 6] The HR plays a major role in any organization so it is required for the hospital to have a hierarchy of HR department which includes Director as head, HR Manager, HR Assistants, and the HR Executives.

CONCLUSION:

HR Department is an asset to any organization. In the present study, the source for recruitment is the advertisements and job portals. The training practices are imparted on both new and the regular staff. The compensation is structured in a systematic way where it indulges several constraints in designing them. Further, from this survey, we hope the suggestions would benefit the Hospitals in the effective HR Management practices for a better outcome and long term benefits to the organization.

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EMPLOYEE ENGAGEMENT: AN APPROACH OF PEOPLE ANALYTICS

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ABSTRACT

Employee engagement is a workplace approach resulting in the right conditions for all members of an organization to give of their best each day, committed to their organization's goals and values, motivated to contribute to organizational success with an enhanced sense of their own well being. This is about how organizations create the conditions in which employee offer more capability and potential. So this employee engagement can happen on trust, integrity, two-way commitment and communication between an organization and its members, this becomes an approach that increases the chances of business success, contributing to organizational and individual performance, productivity and well being. It can be nurtured and dramatically increased; it can be lost and thrown out away. People Analytics involves collecting, analysing and using data about an organization's employees and business performance to provide business insights, solve business problems and inform business decisions and strategy. The biggest worry on top executive's minds around the world is not recession, global competition or employment relations. It is not even cyber security but many research shows that what's keeping board level bosses up at night is their people strategy. A strategy to motivate them, engage and making them loyal and retaining them for longer period. This paper tends to study how GMR is trying to engage its employees and helping them to develop.

KEYWORDS: *Employee Engagement, Decision, Satisfaction*

INTRODUCTION

Employee Engagement is the devotion, passion of employees and effective leadership skills from the top management to the employees. Human resource leaders set the drive and creed of their company and spread that positive morale to the employees in the company. A review of the article based on 10c's for engagement by the author, George Ambler (2007) pulled the facts and highlights

In the Ivey Business Journal and also summarised 10c's as follows.

1. **Connect:** organization should always show and make known that they value employees which builds a positive feel and builds strong relations among boss and employee.
2. **Career:** Management should provide and encourage challenging and meaningful work. Further opportunities should be given for growth. Goals should be established that lead to career advancement and high rewards. A visual description of career ladder is important to be illustrated to employees.
3. **Clarity:** Communication of a clear vision is always important in any relationship. If the employee doesn't have a clear vision, goals and objective tensions arise among management and employees which may lead to disputes.
4. **Convey:** A constructive feedback and their functioning in the organization with clarity of expectations should be made by the management which directs the employees in proper path.
5. **Congratulate:** Recognition of employees helps alot. These build a positive motivation on the employees.
6. **Contribute:** Make the employee feel that goals of the organization can be achieved with their contribution. In success recognize how they have contributed in succeeding the goals.
7. **Control:** employees need and value control over the flow and pace of their jobs. A feeling of "being in on the things," and of being given opportunities to participate in decision making often reduces stress; it also builds trust culture where people want to take ownership of problems.
8. **Collaborate:** Team builders end up being great leaders because they bring everyone together and make them trust each other. Team building should be stressed.
9. **Credibility:** leaders in organization should always maintain company's reputation and standards. Once there is lack of credibility and if leaders get involved in some sketchy business, employees lose the trust on the company too.
10. **Confidence:** If employees see their leader as a confident and ethical person, they will strive to be like their leader. Excellent leaders build confidence in employees and make company strong.

REVIEW OF LITERATURE

David Guest (2014) opined that a "strong HR system" can demonstrate a strong engagement system. This only can be made when top management supports and builds strong HR in the organization. The paper also argued that engagement is a much more straight forward and easy to grasp concept than an HR system

Akancha Srivastav, Ramachandran, Suresh (2014) opined that there is a great role of consultant and practioners to promote employee engagement in organizations. As such this is mostly been used in the acedamic world to elucidate the loyalty and commitment. They further said that if practioners join their hands with academicians, this engagement practices can fully be taken into the organizations.

Almehriz Nada, Sanjay Singh (2016) conclude in their article that the relationship between organizational cultures, leadership, motivation, teamwork, POS is important to maintain organizational stability and sustainability which also reflects employee engagement.

Sasmitha choudary, Manoj Kumar Mohanty (2018) presented various productivity drivers in their article which increases engagement among employees. Some drivers listed were skill enhancement, innovation, competition, building leadership and management capability, creative productive workplace, customer focus, responsible environment, employee safety and corporate citizenship. Further they concluded that both productivity and engagement drivers are closely linked and are having impact on each other.

Lakshmi Keerthi (2018) stated that People Analytics helps in bringing clarity about the various process in the organization. Bringing clarity helps the people in many ways and make the people interested towards workplace.

Need for the study

An extremely engaged employee will constantly deliver good competencies at the workplace. To develop them, making them loyal is very important. Very frequently it has to measure whether they encompass the prospect to accomplish what they carry out greatest everyday. Employee engagement is significant to any groups that seek to maintain esteemed employees. As organization globalises and become additional dependant on knowledge in an effective working situation, there is a better need to bond and engage with people to afford them with an identity. So this paper studies how GMR is engaging employees and helping them to improve in all aspects.

Objectives:

- 1) To determine how the internal communication affect the engagement altitude of human resources.
- 2) To understand how well employee engagement system is been followed at GMR Infrastructure ltd.
- 3) To know how employee engagement is helping to improve people analytics.

RESEARCH METHODOLOGY

A study is conducted to know the view of the workforce in GMR infrastructure Ltd. To know the view of the workforce, data is composed through planned questionnaire. Further the questionnaires were circulated and the feedback was collected from the employees. GMR Infrastructure Ltd consists of 500 and above employees and out of them a sample size of 100 was preferred for the present study using random sampling technique.

About GMR Infrastructure Limited

GMR is a infrastructure company headquartered in Bengaluru. It was established by Grandhi Malikarjuna Rao, employing the Public Private Partnership model. It has implemented several infrastructures projects in India. GMR aviation Academy which came into mortal in 2009 with an intention of providing professional support to the employees working in GMR Airports with an access to aviation knowledge in India. Academy with an extensive range of course also prepares students for airport operations and fire fighting services for aviation and hospitality industries.

Analysis

Options	Strongly disagreed	Disagree	Neutral	Strongly agree	Agree	Mean	Std Dev	r
Satisfied Work environment	0	0	16	48	36	20	21.54	0.95
Opportunities to give best	12	8	18	30	32	20	10.34	
Superiors Encouragement	10	10	20	36	24	20	10.86	0.81
Benefits from organization	8	12	24	26	30	20	9.48	
Transparent job promotions	10	10	30	30	20	20	10	0.88
Clarity of policies	10	10	30	40	10	20	14.14	
Benefits Provision	10	12	24	34	20	20	9.69	0.82
open communication	0	20	20	10	50	20	18.70	
career growth	12	8	24	26	30	20	9.48	0.76
Trustful feedback	6	12	20	38	24	20	12.24	
Supportive superiors	4	16	20	30	30	20	10.86	0.99
Respect to Opinions	16	16	28	24	16	20	5.65	
Resources availability	16	14	30	24	16	20	6.78	
Mean	0	11.38	23.38	30.46	26	20		

Descriptive statistics

As the sample considered was 100, calculated mean is 20. From the table, the standard deviation of work environment, encouragement for open communication was found to be nearest to the calculated mean which remains to be as a positive note. Clarity of policies and trustful feedback was averagely related to mean and the other factors are not that closely to the mean, so these factors need to be improvised. Further, the correlation between work environment and Opportunities to do best is 0.95, correlation between encouragement from superiors and benefits from organization is 0.81, correlation between transparent job promotions and clarity of policies is 0.88, correlation between benefits Provision and encouragement for open communication is 0.82, correlation between good career growth and trustful feedback is 0.76, correlation between supportive superiors during workplace issues, opinions valued, resources availability is 0.99. Correlation of every factors considered is almost equal to 1 which clearly states that every one factor is clearly related to another. To make the employees happy and satisfied, organizations has to understand the relationship of various factors to make employees satisfied.

CONCLUSION

Employee engagement practices are though practiced very less in many organisations, GMR is good at various practices which may help them in making good decisions about organization. As it is found that majority of the respondents either strongly agreed or agreed about various factor considered for the research, yet certain employees also disagreed to few of the factors. So it is

suggested that GMR has to look into the factors like resources availability, benefits provision, transparent job promotions which will help them in growing their organization further.

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FACTORS INFLUENCING ABSENTEEISM WITH REFERENCE TO CALL CENTRES

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ABSTRACT

The aim of this study is to determine Absenteeism (i.e) the unauthorised absence of employees from call centres. It is also to examine the relationship between the employees and factors such as self-perception, attitude toward work and organisation, goal valuation and motivation, family factors and stress. Absenteeism is serving as a serious issue to the organization as it initiates the increase in costs and also hinders the planning, production and efficiency functioning of the organisation. During the late 1970s, call centre technology expanded to include telephone sales, airline reservations and banking systems. The term "call centre" was first published and recognized by the Oxford English Dictionary in 1983. The significant determinants included health variables (e.g., being overweight, complaining of insomnia, and hazardous working conditions), job characteristics (e.g. Inflexible hours), and personal variables (e.g., being a mother with small children).

KEYWORDS: *Unauthorised, Motivation, Attitude, Perception, Goal Valuation, Stress.*

INTRODUCTION

A call centre is a centralised office used for receiving or transmitting a large volume of requests by telephone. An inbound call centre is operated by a company to administer incoming product support or information enquiries from consumers. Outbound call centres are operated for telemarketing, solicitation of charitable or political donations, debt collection and market research. A contact centre is a location for centralised handling of individual communications, including letters, live support software, social media, instant message, and e-mail.

HISTORY

Call centres are an increasingly important part of today's business world, employing millions of agents across the globe and serving as a primary customer-facing channel for firms in many different industries. Call centres have been a fertile area for operations management researchers in several domains, including forecasting, capacity planning, queuing, and personnel scheduling. In addition,

as telecommunications and information technology have advanced over the past several years, the operational challenges faced by call centre managers have become more complicated.

The origins of call centres date back to the 1960s with the UK-based Birmingham Press and Mail, which installed Private Automated Business Exchanges (PABX) to have rows of agents handling customer contacts. By 1973, call centres received mainstream attention after Rockwell International patented it as Galaxy Automatic Call Distributor (GACD) for a telephone booking system as well as the popularization of telephone headsets as seen on televised NASA Mission Control Centre events.

During the late 1970s, call centre technology expanded to include telephone sales, airline reservations and banking systems. The term "call centre" was first published and recognized by the Oxford English Dictionary in 1983. The 1980s experienced the development of toll-free telephone numbers to increase the efficiency of agents and overall call volume. Call centres increased with the deregulation of long-distance calling and growth in information-dependent industries.

ABSENTEEISM

"Absenteeism" is a practice of habit of being an absence and an absentee is one who habitually stays away. - WEBSTER'S DICTIONARY

Absenteeism is a habitual pattern of absence from a duty or obligation without good reason. Generally, absenteeism is unplanned absences. Absenteeism has been viewed as an indicator of poor individual performance, as well as a breach of an implicit contract between employee and employer.

According to Dimensions Data, absenteeism in call centres averaged 14.9 per cent around the globe and was slightly higher in Asia because employees had to work the graveyard shift. Doctors also suggest that call centre employees are four times more likely than other types of employees to miss work because of mental health issues such as stress or depression.

The International Customer Management Institute, ICMI, conducted a quick poll that found absenteeism to be the top human resources problem in call centres. Making time for coaching agents was the second most common HR issue, followed by stress management and maintaining engagement, which was tied in the survey responses.

CAUSES OF ABSENTEEISM

1. Nature of work
2. Poor working conditions
3. Lack of interest
4. Demographics
5. Gender
6. Age
7. Personal problems
8. Health Problems
9. Accidents
10. The absence of strict supervision

REVIEW LITERATURE

Fitzpatrick and Huczynski suggest that careful assessment and analysis of absence problems is essential for effective solutions (Taylor, 2005, p.337). This involves characterization of the absence problem within an organization and identification of the causes before designing and implementing strategies suited to that organization. They further suggest that solutions can be chosen from a range of people, work and organizationally focused strategies.

According to Graham and Bennett (1995) identified that nature of the job or nature of the workplace as well as personal characteristics of the worker influence on absenteeism of employees.

The CBS Interactive Network, (2007) "Reducing and Managing Workplace Absenteeism", Productivity loss due to absenteeism is a serious and growing challenge. In the United States, the annual cost to employers for time lost due to accidents is almost \$100 billion, and other unscheduled worker absences cost even more. Absence management is a growing body of knowledge and experience that managers apply to the control and reduction of these costs.

Picoars and Payers (2009) in the study on absenteeism of employees where unexpected absence disturbs the efficiency of the group as the jobs are inter-connected if one single man remains absent without prior notice the whole operation process will be distributed. Thus absenteeism results in workers cost increase and thus the efficiency of operations is affected.

Wooden (1995) listed organizational commitment as one of the most important factors that impact on absence. Hence, there was a rational conclusion that absenteeism can be used as a yardstick to measure employees' commitment to the organization.

According to Kinnear (2006), the term "absenteeism" refers to unscheduled and unapproved absences from the workplace. Absenteeism falls into two distinct categories: "innocent" and "culpable". Innocent absenteeism known as non-culpable absenteeism refers to bona fide health issues in which the employee has a genuine illness/injury or medical condition, which is seen to be beyond his/her control and subsequently prevents him/her from attending work. Culpable absenteeism refers to absenteeism in which the employee is absent from work for no acceptable reason. These kinds of absences are characterized by absences without authorized leave and include frequent lateness and/or early leaving

According to Sikorki (2001), absenteeism is defined as not being present or attending, missing, existing, lacking, inattentive and/or being pre-occupied.

Studies also show one of the most significant reasons for absenteeism is stress (Joo & Garman, 1998a; 1998b). Joo and Garman (1998a; 1998b) further state, identifying the relationship between financial wellness and absenteeism can help employers better understand the determinants of employee absenteeism.

Leigh (1991) found statistically significant predictors of absenteeism using a national sample. In the model, Leigh (1991) included four categories of independent variables: demographic variables, health variables, aspects of the job, and economic incentives. The significant determinants included health variables (e.g., being overweight, complaining of insomnia, and hazardous working conditions), job characteristics (e.g. Inflexible hours), and personal variables (e.g., being a mother with small children). Among the significant variables, dangerous working conditions had the strongest relationship with absenteeism.

In another study, Rogers and Herting (1993) found a negative relationship between education and absenteeism, demonstrating that those who had less education had more absences than those with a higher level of education. They also found no significant relationship between employee tenure and absenteeism.

Absenteeism is also affected by employee satisfaction. Mowday, Porter, & Steers (1982) found a negative relationship between satisfaction with pay and absenteeism, suggesting that those workers earning lower incomes had more absences than people making higher incomes. Job performance is related to absenteeism, too (Bycio, 1992), as workers with low-performance ratings from their supervisors tend to have more absences than other workers. Bycio () also found that absenteeism is more likely to follow poor job performance than the reverse situation.

Determinants of Absenteeism

Some of the identified determinants of absenteeism are

1. Employee satisfaction
2. Employee participation in management systems (e.g., profit sharing ownership schemes)
3. Health status, family factors (e.g., being a mother with small children),
4. Job performance, age, organizational tenure, perceptions of interactional justice
5. Worker perception of the absence norm.

OBJECTIVES OF THE STUDY

1. To study the reasons for absenteeism in call centres.

HYPOTHESIS

1. There is a significant relationship between factors considered in the study and absenteeism in call centres

RESEARCH METHODOLOGY

Primary data was collected through a Questionnaire. A sample size of 43 was taken for the study. Respondents were chosen on the basis of convenience sampling from the Hyderabad region. Data were analysed by using percentage analysis. Among them, 35 were males which point towards the male dominance in call centres. Majority of the respondents were graduates with an age group of 23-26 years. Respondent's income level was between 1-3 lakhs. With experience of 1 to 3 years.

LIMITATIONS OF THE STUDY

1. The absenteeism is found to be inevitable.

DATA ANALYSIS AND INTERPRETATIONS

TABLE 1 MAIN REASONS FOR ABSENTEEISM:

Attributes	No of respondents	Percentage
FAMILY PROBLEMS	10	22
HEALTH PROBLEMS	13	31.7
WORK DISSATISFACTION	8	19.5
WORKING ENVIRONMENT	12	26.8
TOTAL	43	100

Source: computed from primary data

From the above Table 1, 13 respondents stated that the main reason for absenteeism was due to health problems, 12 and 10 respondents stated that the working environment and family reasons as their problems respectively. Work dissatisfaction is less throughout with only 8 respondents citing as the reason.

TABLE 2 AWARENESS ABOUT THE LEAVE RULES OF THE COMPANY

Options	No of respondents	% of respondents
AWARE	31	73.8
TO SOME EXTENT	10	23.8
NOT AT ALL	2	2.4
TOTAL	43	100

Source: Computed from primary data

From table 2, it can be inferred that the majority of employees are aware of the leave rules of their organisation whereas very few are unaware of such regulations and negligible number as the unknown category.

TABLE 3 ADEQUACY IN SALARY STRUCTURE

Options	No of respondents	% of respondents
Yes	19	43.9%
No	24	56.1%
Total	43	100%

Source: computed from primary data

From table 3, it is been observed that 56.1% are satisfied with their salary structure wherein 43.9 % of employees are dissatisfied with their salaries and pay.

TABLE 4 TYPE OF PRESSURE FACED BY EMPLOYEES IN ORGANIZATION

Reasons	No of respondents	% of respondents
Forced to do work	17	40%
Improper environment	16	37.5%
Strict supervision	10	22.5%
Total	43	100%

Source: computed from primary data

From table 4 it is inferred that most of the pressure faced by the employees is due to forced work that is been imposed by the organization with 40% respondents, whereas the improper environment was taken as second highest reason with 16 respondent, being 10 has voted for strict and stringent supervision.

TABLE 5 PERSONNEL OPINION ABOUT JOB ENRICHMENT FOR ABSENTEEISM REDUCTION

Options	No of respondents	% of respondents
AGREE	25	58.5
NEUTRAL	18	41.5
DISAGREE	0	0
TOTAL	43	100

Source: Computed from primary data

From the above table5, it's been observed that job enrichment for absenteeism reduction has been favoured by 58.5% respondents and whereas neutral opinion was given by 41.5% and no opinion regarding disagreeing for job enrichment.

TABLE 6 WORKERS OPINIONS ABOUT REDUCED ABSENTEEISM

Opinions	No of respondents	% of respondents
Adapting job rotation	12	27.5
Job enrichment	12	27.5
Coordination with workers	12	27.5
Efficient superiors	7	17.5
Total	43	100

A source from primary data

From table 6 it is conferred that the equal ease is given to adapting job rotation, job enrichment and coordination with workers with 12 respondents each whereas 7 respondents have longed for efficient supervisors.

TABLE 7 BOREDOM WITH ASSIGNING A DUTY

options	No of respondents	% of respondents
Often	9	20%
sometimes	31	72.5%
never	3	7.5%
total	43	100%

Source: Computed from primary data.

From table 7 it can be seen that most of the employees feel boredom about assigned work (i.e.) 72.5%, however 20% of respondents often, giving their least opinion to never at 7.5%.

H1 There is a significant relationship of factors considered in the present study towards Absenteeism.

The regression analysis is conducted to examine the effect of family problems, health problems, work dissatisfaction and working environment towards absenteeism in call centres. To test the model in a comprehensive manner a linear regression is used.

The model explains 0.848 per cent of the variance ($R^2=0.648$) as caused by six specific factors.

TABLE 8 MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.805 ^a	.648	.643	.17842
a. Predictors: (Constant), family problems, health problems, work dissatisfaction and working environment.				

Source: computed from primary data

The results clearly indicate a significant influence of factors on QWL ($R^2=0.648$). Further more, the results of the study reveal that predictors accounted for about 64 per cent of the explained variance in absenteeism among employees in call centres.

TABLE 9 ANOVA RESULTS

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.218	6	4.036	126.798	.000 ^b
	Residual	13.147	413	.032		
	Total	37.366	419			

a. Dependent Variable: Absenteeism

b. Predictors: (Constant), family problems, health problems, work dissatisfaction and working environment.

Source: computed from primary data

Table 9 indicates that this regression model is statistically significant ($p = 0.000$). Therefore, H1 is accepted.

TABLE 10 COEFFICIENTS RESULTS

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.217	.154		-1.408	.160
Family problems	.183	.024	.233	7.545	.000
Working Dissatisfaction	.164	.025	.204	6.500	.000
Working environment	.177	.019	.301	9.422	.000
Health problems	.210	.025	.314	8.449	.000

a. Dependent Variable: Overall

Source: Computed From Primary Data

Finally, the table shows the model coefficients. The model explains that family problems, working dissatisfaction, working environment and health problems have a positive effect (with positive β value), on absenteeism. As Pallant (2007) explained, "standardized means that these values for each of the different variables have been converted to the same scale so that they can be compared to each other" (p.159). The largest beta value, in this case, was 0.314, which is for health problems, followed by the working environment (0.301). This means that health problems and working environment variables make the strongest unique contribution to explain absenteeism among employees working in call centres Therefore, **H1 is accepted**.

FINDINGS:

1. In most call centres, the main cause of absenteeism is unsupportive management; some of the most effective techniques for reducing absenteeism are by effective management. Effective management would include listening to employee suggestions, providing more training and relevant support.
2. Absenteeism can be reduced by providing individual recognition and reward for individual accomplishments to employees.
3. Employee absenteeism is merely influenced by health problems of employees; health of employees is affected due to the shift system.
4. Salary and wages play a vital role in the performance of the employee.
5. Most of the experienced employees feel the job boredom.
6. Job Enrichment can reduce absenteeism.

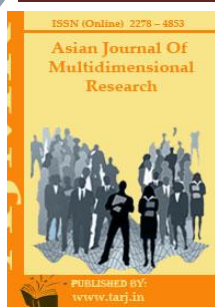
CONCLUSION:

Call centres are generally associated with low levels of satisfaction due to the fairly low skilled nature of their work which makes it less challenging so they should redesign the job to make the job interesting.

Absenteeism presents a huge cost to the company and thus should be monitored closely. It is the responsibility of the Human Resource Department to raise the motivation levels of employees by changing the HR policies i.e. by introducing incentive schemes, work from home and by reducing working hours and limiting overtime.

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PSYCHOLOGICAL CONTRACT FULFILLMENT AND REPERCUSSIVE EFFECT ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR

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ABSTRACT

The traditional model of employment relationship underwent a sea-change and there have been in-ways into understanding the psychological aspects of the employment relationship. For the purpose of the study, the input of Denise Rousseau has been adopted. Compartmentalization made public by employment arrangements on the dimensions of amount (short/long) and performance-reward contingencies (highly contingent, low or non-contingent) reflects determined variation in psychological contract across corporations. The psychological contract is an individual's belief in mutual obligations between that person and another party such as an employer (Rousseau, 1995). Psychological Contract is sometimes seen as "individual's beliefs, formed by the organization, regarding the terms of an exchange relationship between the individual employee and organization (Beardwell et al., 2004). This effort was defined as "helping colleagues with the work, protection of organizational interest giving advice, promotion of the organization". The paper attempts to understand the literature behind the concepts of Organizational Citizenship Behaviour and Psychological Contract thereby identifying the underlying models by Denise Rousseau and Podsakoff. Moreover, an uncertain and erratic transition in business situations has decapacitated organizations to meet all their obligations (McLean Parks & Kiddler, 1994). This translated into creating employee perceptions about non-fulfillment of psychological contract (Mc Lean, Parks, and Schendenman, 1994; Robinson, Kraatz and Roussaeu, 1994)

KEYWORDS: Contingencies, Non-Fulfillment,

INTRODUCTION:

Psychological Contract and Organizational Citizenship Behavior are subjects that are closely juxtaposed to the lineage of Organizational Psychology. These concepts are reinvigorating and quixotic at the same time. The paper proposes a theoretical model that could unravel the inter-linkages and develop a concurrent and futuristic model construct. Therefore in cognizance of the aforementioned objective, the model of Denise Rousseau (Psychological Contract) and Podaskoff et al (Organizational Citizenship Behavior) have been inducted.

Psychological Contract:

Psychological Contract research dates back to the 1960s when (Argyris, 1960) used the term psychological work contract to describe mutual consensus amongst employees and employer.

(Levinson, 1962) chalked out the psychological contract as “an unwritten (working) agreement and a resultant of mutual expectation from work”. The traditional model of employment relationship underwent a sea-change and there have been in-ways into understanding the psychological aspects of the employment relationship. The changing market situations better translated into a VUCA world (volatility, uncertainty, complexity, and ambiguity) has disdained the older order of traditional job guarantee, security and lasting rewards in exchange for hard work and loyalty are irrelevant in most cases (Sims, 2004). Moreover, an uncertain and erratic transition in business situations has decapacitated organizations to meet all their obligations (McLean Parks & Kiddler, 1994). This translated into creating employee perceptions about non-fulfillment of psychological contract (McLean, Parks, and Schendenman, 1994; Robinson, Kraatz and Rousseau, 1994)

The seminal book by (Denise Rousseau, 1995) “Psychological Contract in Organisations: Understanding Written and Unwritten Agreements” ignited fresh interest in the research of psychological contract. Her research only focussed on individual employee perception of the contract and discounted the employer’s perception thereby narrowing down the huge periphery of research. The psychological contract is an individual’s belief in mutual obligations between that person and another party such as an employer (Rousseau, 1995). Psychological Contract is sometimes seen as “individual’s beliefs, formed by the organization, regarding the terms of an exchange relationship between the individual employee and organization (Beardwell et al., 2004). Research clearly shows the non-fulfillment of the psychological contract as key to employee distrust, disgust, cantankerous behavior and intention to leave (Robinson and Morrison, 1997; Robinson and Rousseau, 1994; Coyle-Shapiro, 2002). In essence, the psychological contract constitutes of an unwritten agreement between the organization and workers supported by reciprocally accepted guarantees and obligations.

Denise Rousseau view of Psychological Contract

The study was conducted amongst banking employees and discovered a changing psychological contract. For the purpose of the study, the input of Denise Rousseau has been adopted. Compartmentalization made public by employment arrangements on the dimensions of amount (short/long) and performance-reward contingencies (highly contingent, low or non-contingent) reflects determined variation in psychological contract across corporations. (Rousseau and Wade Benzoni, 1994; Rousseau, 1995). It's further subdivided into conceptually homogeneous components as enumerated as listed below:

Relational: This is a long-term or open-ended employment arrangement based upon mutual trust and loyalty. Rewards are only loosely conditioned on performance, derived from membership and participation in the organization.

- 1) **Stability:** The worker is indebted to stay with the firm and to try and do what's needed to stay in the job. The employer has committed to giving stable wages and semipermanent employment.
- 2) **Loyalty:** Employee obligated to support the firm, manifest loyalty and commitment to the organization's needs and interests, being a good organizational citizen. The employer has committed to supporting the well-being and interests of staff and their families.

Balanced: It is a dynamic and open-ended employment arrangement conditioned on the economic success of the firm and worker opportunities to develop career advantages. Both employee and firm contribute immensely to every other's learning and development. Rewards to employees are based mostly upon performance and contributions to the firm's comparative benefits, particularly in the face of changing demands due to market pressures.

- 1) **External employability-Career development** on the external labor market. The employee is obligated to develop marketable skills. The employer has committed to enhancing worker's long-term employability outside the organization as well as within it.
- 2) **Internal advancement-Career development** within an internal labor market. The employee is supposed to develop skills valued by this current management. The employer has committed to making employee career development opportunities inside the firm.
- 3) **Dynamic performance**—Employee is obligated to successfully perform new and more demanding goals, which can change again and again in the future, to help the firm become and remain competitive. The employer has committed to push continuous learning and to assist staff with success to execute escalating performance needs.

Transactional: These are employment arrangements with a short-term or limited duration, primarily focused upon economic exchange; specific, narrow duties and limited worker involvement in the organisation.

- 1) **Narrow**—Employee is indebted to perform solely a set or restricted set of duties, to do only what he or she is paid to do. The employer has committed to offering the worker only limited involvement in the organization, little or no training or other employee development.
- 2) **Short-term**—Employee has no obligations to stay with the firm; committed to performing just for a restricted time. Employer offers employment for less than a particular or restricted time, is not obligated to future commitments.

Transitional: It is not a psychological contract form itself, but a cognitive statement reflecting the consequences of organizational change and transitions that are at odds with a previously established employment arrangement.

- 1) **Mistrust**—Employee believes that the firm sends inconsistent and mixed signals regarding its intentions; employee mistrusts the firm. The employer has withheld important information from employees. Firm mistrusts its workers.
- 2) **Uncertainty**—Employee is uncertain regarding the nature of his or her own obligations to the firm. Employer live assesses the extent that the worker is unsure concerning the employer's future commitments to him or her.

3) Erosion—Employee expects to receive fewer future returns from his or her contributions to the firm compared to the past; anticipates continuing declines in the future. The employer has instituted changes that scale back worker wages and advantages, wearing away quality of labor life compared to previous years.

Organizational Citizenship Behaviour:

Organizational citizenship behavior (OCB) has undergone humongous definitional and conceptual changes since its inception. Organizational citizenship behavior is something that employee choose voluntary efforts is beyond the specified contractual obligation of the job. OCB is an attempt to create an amicable organizational environment for effective functioning. This discretionary effort of the employee is an offshoot of organizational culture. An adequate and profound organizational culture can certainly motivate employees towards organizational citizenship behavior. In 1966 Katz and Kahn identified employees who put more effort than others in doing their work. This effort was defined as “helping colleagues with the work, protection of organizational interest giving advice, promotion of the organization”

In the year 1988, Organ put in the concept of OCB by his definition” OCB has been defined as behavior that an employee voluntarily engages in that promotes the effectiveness of the organization but is not explicitly rewarded by the organization.”

Polat defines OCB as the “informal behavior which is displayed by workmen organizations.”

Bateman and Organ identified two pliable reasons for such demonstrations of OCB. Firstly it is considered by Social Exchange Theory that people want to return the favor if they are satisfied with job conditions so they behave in a great way.

The role of organizational culture is highly commended in motivating employees towards OCB.

Podsakoff has identified four main categories of OCB antecedents those are characterized by employee characteristic and leadership behaviors.

Employee characteristics are categorized by satisfaction, commitment, fairness and leadership supportiveness. Task characteristics are strongly connected with all type of citizenship behavior. All characteristic of leadership behavior has a strong connection with OCB.

Antecedents of OCB

Since OCB is helpful in each organization, it is important to consider the factors which affect engagement in OCB in the workplace. The antecedents of OCB are loosely categorized into 3 areas: personality/trait, attitudinal, and leadership/group factors. The influence of temperament on the tendency to exhibit OCB is minimal, but it will mean that some employees are going to be additional naturally inclined towards participating in OCB than others. The other 2 classes may be more brilliant, in that attitudes can be cultivated and leadership and group characteristics can be altered to facilitate staff engagement in OCB.

Personality

Four of the ‘big five’ personality traits – conscientiousness, agreeableness, neuroticism, and extraversion – are correlated with OCB. However, the correlations are weak, shown to be between 0.15 and 0.22 in one study (Organ & Ryan, 1995). A different study yielded zero.24 correlation for conscientiousness (Borman, Penner, Allen & Motowidlo, 2001). The correlations between OCB and work-related attitudes, listed below, are much higher and will serve as better indicators of OCB.

Attitudes

The traditional measures used as valid predictors of OCB include; job satisfaction, employee engagement, organizational commitment, motivation and the level of trust between an employee and his/her co-workers and supervisors. An umbrella term 'morale' has been coined to hide job satisfaction, perceived fairness, affective commitment and leader consideration (Organ et al., 2006), and morale correlates with OCB at 0.69. Job satisfaction has been shown to have the strongest correlation at 0.9 (the other three factors range between 0.72 and 0.76). These are the job-related constructs which will affect OCB according to Chahal and Mehta (2010):

- Individual disposition (i.e. personality)
- Fairness perception (i.e. procedural and distributive justice)
- Motivational factors
- Role perception (i.e. is one's job clearly defined or ambiguous? Does it overlap with another co-worker's?)

Leadership Characteristics

The following leadership designs will encourage OCB in varied ways in which if deployed effectively (Organ et al., 2006), though the quality of leader-member exchange (LMX) is also important.

1. Instrumental Leadership: Facilitates role clarity – supervisor should inform subordinates clearly what is expected of them.
2. Supportive Leadership: Concern for employee wellbeing more likely to be reciprocated with altruistic behaviors.
3. Transformational Leadership: Facilitates motivation – inspire and support employees, high (but not unreasonable) performance expectations.

Good quality LMX (which is just the exchange relationship and manner of interaction between a superior and subordinate) is characterized by mutual trust and feel, and both parties feel inclined to reciprocate courteous and selfless acts, which facilitates OCB.

Group Characteristics

Four factors are known during this space (Organ et al., 2006) – group cohesiveness (facilitates trust and satisfaction; desire to remain in group), team-member exchange (TMX) (influences motivation and cluster cohesiveness), cluster efficiency (generates natural action and allows cooperation) and perceived team support (concern for every other's wellbeing). Improvements in any of these four areas will lead to an increase in (co-worker directed) OCB, especially if the organization is group- and teamwork-oriented.

Podsakoff et al(2000) view on Organizational Citizenship Behaviour

He defines 30 different type of organizational citizenship behavior which he arranged in different groups by the following order :

1. Helping behavior is where individuals work or perform actions to help others or prevent possible problems.

2. Sportsmanship is defined as behavior which includes not only sacrificing for the sake of team but also motivating others during hard periods or problems.
3. Organizational loyalty is seen as protecting interests of the company as being loyal to it and developing in motivating self and others in developing organizational loyalty.
4. Organizational compliance refers to adhering to organizational rules and procedures in total.
5. Individual initiative is an extra role activity which is purely discretionary of the employee
6. Civic virtue represents identifying an individual to an organization as a whole and protecting organization interest in every aspect.

The Proposed Model Construct:

The proposed model has been conceptualized by juxtaposing different items from Podsakoff et al (2000) Organizational Citizenship Behaviour model entailing items like:

1. Helping behavior
2. Sportsmanship
3. Organizational loyalty
4. Organizational compliance
5. Individual initiative
6. Civic virtue and self-development

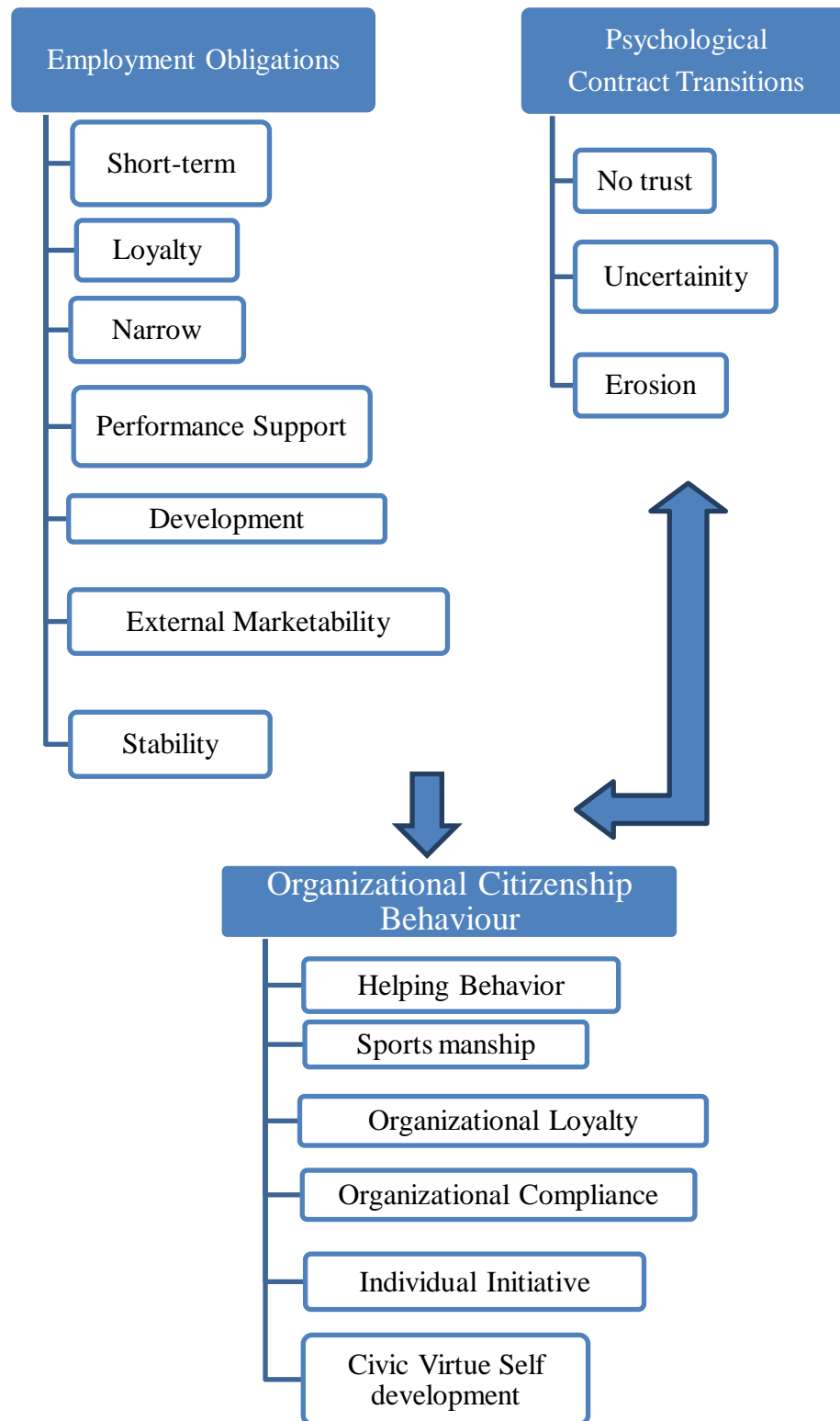
Denise Rousseau's Psychological Contract Inventory has been inducted with items like Employment Obligations having components like:

1. Short-term
2. Loyalty
3. Narrow
4. Performance Support
5. Development
6. External Marketability
7. Stability

The item of Psychological Contract Transitions having components like:

1. No trust
2. Uncertainty
3. Erosion

The model attempts to understand the inter linkages amongst various components of the items of Psychological Contract and Organizational Citizenship Behaviour.



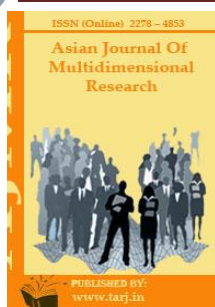
CONCLUSION:

The paper attempts to understand the literature behind the concepts of Organizational Citizenship Behaviour and Psychological Contract thereby identifying the underlying models by Denise Rousseau and Podsakoff. The items and components can be juxtaposed to develop a realistic framework to a futuristic model in the field of Human Resource management.

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KIRKPATRICK'S TRAINING EVALUATION MODEL: ITS RELEVANCE TO THE ORGANIZATION

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I ABSTRACT

Organizations all over the world spend huge sum of money on Training. It is unbelievable that after spending considerably, they fail to evaluate the training programs. This article gives a reference about a popular model of Evaluation for practice across organizations. This model referred is widely acclaimed across the world and quotes in simple terms about the evaluation parameters. These parameters which are four in numbers to evaluate start with a simple measure of Reaction, continued by Learning, followed by Behavior and finally concluding in Results. The order of difficulty of evaluation progresses as one goes up the evaluation level. Though the initial phases of evaluation are simple and easy to adopt, the increasing levels require more resources, effort and time. The reaction level evaluation is found common cutting across the organizations. However, each organization can decide on the levels of evaluation as per the requirement and resource availability.

KEYWORDS: *Acclaimed, Availability, Unbelievable*

INTRODUCTION

II. FOREWORD

Companies all over the world spend billions of dollars every year for training their staff. Employees' training has become an the important tool through which organization can improve its service quality, decrease labor cost and increase productivity and profitability (Kim, 2006)³. According to the ATD 2016 State of the Industry report¹, organizations spend an average of \$1,252 per employee on training and development, and the average employee receives 33.5 hours of training per year. These numbers indicate that training is an essential component of most organizations.

Training Norm in the Organization: In the industry, the training norm is considered good, if an organization spends around 40 hours of training per person per year. The 40 hours include time spent on all types of training-formal and informal- pertaining to Knowledge, Skill, and Attitude. This 40 hours of training per person per year is only a benchmark towards which training interventions are planned and implemented that spread over a particular financial year. Majority of the Organizations find tough time in achieving this benchmark, though it is possible and feasible to enhance the talent of employees through the attainment of this benchmark. Needless to mention, the organizations should strive to go beyond this training hour benchmark in order to beat the competition and stay ahead in the market.

Focus on Training Utility: Now the focus has shifted to the real utilization of the training inputs which may contribute significantly to the growth of the organization. These training programs encompass all kinds of training from a four-hour in-house program to a year-long diversity management initiative. In some organizations, the training programs extend to more than a year. This long tenure of training normally earmarked to top management professionals who steer the organization in achieving a competitive advantage. Every training program should aim at enhancing performance and enriching the contributions of the workforce. Hence it is imperative that training evaluation forms the most important aspect of training and development. It is a subject which has been much discussed but superficially carried out.

Training Evaluation Practice – The Reality: The process of training evaluation practice has been given lip service on many accounts. This has been done as a matter of ritual. Ritual in common parlance implies doing an act of evaluation practice without much thought put into the process. There will be a designated person in the organization who collects the feedback forms after the training program. After the collection of feedback, the document is preserved in the respective file. Again the documents are referred to during the process of ISO audit or any other assessment. This is the sanctity that has been meticulously practiced on many occasions across the organization. Though this ritual is seen as an exaggeration, this is the actual practice rampant in many of the organizations.

Reason for neglect of Training Evaluation Practice: The reason for the neglect of such practice can be explained on many accounts. One may be a paucity of time that the organizations are facing today. In the competitive world, where the Business Environment is ever dynamic, there is always race for the survival of the fittest. The executives do not find enough time to follow the training evaluation practice where the priority is production, sales, and other line item function. The organizations are having many systems and practices to follow. Hence the training evaluation practice which is a sub-system of the training system may take a back seat.

Constraints faced by Human Resource (HR) function in Training Evaluation Practice: Even in HR fraternity, there are many systems and processes that need to be followed. Day in and day out, the operational activities of report compilation, meetings – interdepartmental and intradepartmental, assessments – both statutory and internal, and many other unforeseen activities consume a major chunk of time. This is yet another reason, for the slip of not following the training evaluation practice. Given this backdrop, the training evaluation practice becomes one of the issues that is being faced by Human Resource (HR) function as well as by the organizations, as scarce resources of time and money are being spent on the training.

Concern for Training Evaluation Practice: In this context, one key concern confronting Human Resource function and organizations today is how to ensure the usefulness of a training program to an individual and how to evaluate the effectiveness of training. Measuring the effectiveness of

training programs consumes valuable time and resources – time and resource that are already in short supply. One needs to think carefully about how and to what extent to evaluate the results of training. They also suggest that we need to shift our focus away from measuring ‘how much’ and more towards ‘how well’. How do we know if a training program is effective? Are employees actually learning? Is employee performance improving? To put it simply, are the training given is valuable to the organization? If yes, well and good. If no, then what can be done to make the training program valuable? Valuable in the eyes of the organization and the concerned stakeholders. Thus the concern for training evaluation practice should take care of individual organization requirement.

III.PROGRAM EVALUATION

Program evaluation is the final phase in the training process, during which, the effectiveness of the training program is measured. ‘This is an important but often ignored activity.’ The careful evaluation provides information on participants’ response, how much they imbibe, whether they put into practice what they learned, back on the job and whether the program improved the organization’s value. This information helps firms decide whether to continue to use a particular program in the future, whether to use a particular methodology of training in the future or use some other HRD intervention technique to solve the problem. To the least extent, they get the participants feedback for refinement of future programs. The participants feel that their voices are being heard and they add value to the organization.

Definition: Boulmetis and Dutwin (2000) defined evaluation as the systematic process of collecting and analyzing data in order to determine whether and to what degree objectives were or are being achieved. Schalok (2001) defined effectiveness evaluation as the determination of the extent to which a program has met its stated performance goals and objectives. Training evaluation is often defined as the systematic process of collecting data to determine if training is effective (Goldstein & Ford, 2002; Noe, 2002)¹.

Evaluation Purpose: To put it in simple terms, evaluation should have a purpose for the training program. This purpose needs to be catered to the benefit of an organization. This purpose may vary for each program and should become integral to the program. This purpose should address the concerns and expectations of all stakeholders concerned – top management, trainer, trainee, Human Resource function, Line manager. In nutshell, all the concerns and expectations of stakeholders should focus on individual, departmental and organizational value.

The evaluation may not be so easy because many a time it is hard to set measurable objectives and much harder to collect the information on the results or to decide at which level evaluation should be made. A good place to start is with the Kirkpatrick Model. One may measure reaction, learning, behavior, and results. This model is simple in common man terms and easy to follow at few levels as per the requirement of Business.

IV.KIRKPATRICK’S FRAMEWORK

Donald Kirkpatrick’s four-level evaluation model remains on the most well-known model today. Kirkpatrick developed his model in the late 1950s and the model has since been adopted and modified by a number of writers and Human Resource professionals. Though the name may not be heard by many, the evaluation parameters necessarily connote the author’s model either directly or through a reference. The taxonomy describes four stages of evaluation: The taxonomy is commonly referred to as Level1 (L1), Level2 (L2), Level3 (L3) and Level4 (L4)⁴.

Reaction(L1): This level measures how learners have reacted to the training, their satisfaction level and determines the gap in the training content. Whether the participants were pleased with the program is demonstrated by their immediate reactions about the trainer, method of presentation, usefulness, and interest of the subject matter, facilities, etc., This level measures how learners feel about the training². Although the reaction data won't give immediate insights into Return on Investment, this level is the foundation for training programs in the future. Evaluation at this level is commonly used in fostering management support for the training program. The training program at this level helps to improve the conceptualization and design of the training program.

Level 1-Evaluation in Organization:

This level of Reaction evaluation is the only evaluation which is widespread and followed in many organizations. This is nothing but a feedback form filled-in by the participants for submission to the trainer. Since these forms are given at the end of the program, the participant fills-up haphazardly and hands over to the trainer as a norm. In addition to the feedback form given by the trainer, the Human Resource department may also give similar feedback for their records. Normally, these feedback forms are used for the sake of proof of having conducted a training program to be shown to top management or these are used as proof to be shown to the assessors. However, enough care is taken to preserve the training evaluation feedback forms for reference at future date.

There are occasions when an employee is nominated for training program outside the organization to an external location. After completion of the learning initiative, the training agency hands over the feedback form as a matter of routine at the fag end of the day. Due to paucity of time, the participant simply puts his/her signature at the appropriate place and hands over the form to the trainer informing to fill up the other parts of the evaluation feedback. At few other occasions, these forms are being filled over a cup of tea and snacks and thus diluting the value of evaluation feedback. Though this is unpalatable in terms of evaluation this is the real picture that is happening at many of the instances.

Even when this is practiced, there is not enough attention given to the inputs received through feedback. The inputs from the evaluation forms are not systematically extracted for refinement of future program in order to cater to a future audience. Though the practical incidents of reaction evaluation are shocking and quite surprising, this is actual reality witnessed in the organizations. If this level of evaluation is performed at a reasonable level, at least we can infer that there is some degree of evaluation being followed, but not put into practice.

Learning (L2): The second level of evaluation measures the knowledge and skills learners gain from the training. Whether the participants have learned new knowledge, skills and attitudes reflected through changes in their abilities as a result of training. To conduct the measurement, a little planning in advance-Determining the objectives of your course is essential. Learning connotes employee's work-related attitude, the level at which employee's skill is broadened and knowledge widened as consequences of training.

Level 2-Evaluation in Organization: This level of evaluation happens in the organizations in bits and pieces. This evaluation will not happen for all programs conducted by the organization. For some practical programs on Safety, the pre and post measurement is conducted. The advantage of this evaluation is that we can measure in numbers. However, if the learning is going to be new, there will always be an improvement in any area of learning, since the participant may not be aware of the subject or concept in advance. Hence necessarily, there will be an improvement in the post-assessment.

In reality, the pre-test happens for the sake of happening with many anomalies in the process. By the time the majority of the employees enter the learning hall, the session time for pre-test would get completed and the program would have started. There will be a Human Resource coordinator or any other person performing facilitator role would hand over the pre-test to the latecomers of the learning session. The participants would have two options. Either to listen to the trainer who has started his learning exercise or to fill up the pre-test form thus trading off one of the options. This is the veracity of learning evaluation.

The pre-test and post-test forms are sent to respective departments for their evaluation. Due to stringent operational schedule, the departments take their convenient time for assessment of the forms. The feedback scores are collected and compiled by the Human Resource function for meager use in the future. Many times, if the scores of the participants are not up to the required level, the participants are made to attend the learning program once again. If this level of evaluation is performed for the majority of programs, then we can infer the evaluation is happening at a sensible level and the organizations are moving towards purposeful training.

Behavior (L3): The third level of evaluation measures how employees apply what they have learned. Whether the participants changed their behavior based on what was learned as shown by changes in job performance. This assessment is an extension of level 2, where you can determine whether the training has an impact on your learners' behavior, attitude, and performance at work. The third level of evaluation is about work-related behavioral changes which reflect in performance. At L3, learning measurement happens through performance, attitude, and delivery at work.

Level 3-Evaluation in Organization: This type of Behavior assessment will be beneficial if there is going to be a real need for training. The manager and the department need to ascertain the learning requirement, identify the right person for the training. If there is a real requirement for training and the appropriate person attends the training, then there will be genuine and required learning that may take place. In such instances, the learning will get translated into the workplace for the necessary benefit of the individual, department and ultimately the organization.

In organizations, though the training happens by the structure in terms of training calendar, there are occurrences when the employee meant for training is on leave or on duty or held up due to workload contingency. The Head of Department (HOD) does not want to miss the opportunity of the scheduled training. Hence he looks out for employees who are comparatively free on that day of operation. This being the case, the training happens, but with the different nominee. The HOD also plans to transmit the knowledge or skill gained to share with the actual nominee. This sharing session also flops for want of time and operational constraints. Thus the system of evaluation gets derailed.

In practical terms, this level is where the training evaluation practice is starting. In tandem, the challenge of training evaluation practice also starts from this point. If this process of behavior evaluation commences, then the other part of subsequent evaluation i.e. Results assessment becomes comparatively easier and affordable. However, organizations need to make an attempt to put into practice this level of evaluation. However, this may happen in an unstructured manner, with many stakeholders giving their time and effort in a haphazard way.

Results (L4): The fourth area in the Kirkpatrick model revolves around the impact of training and development on the organization. This level is the most practical way to calculate the ROI of your training as it measures tangible results that the training brings to the business. At L4, tangible results of the training such as reduced cost, improved quality, faster project completion, increased

productivity, employee retention, better marketing leads, increased sales and higher morale are measured⁶. Measuring the effect on the organization is apparently a difficult task because of the complex structure of components and its interaction with the external environment.

Level 4-Evaluation in Organization: Measuring the Results is the ultimate and challenging task for an organization. The Results may be visible, but how to convert the Results into monetary value? 'This is million dollar value question,' that the Organizations are facing today. For instance, in case of a safety training program, the Result is the application of safety practice in the work assignment. There will be saving in terms of the life of an employee, but the conversion of Result to money value is a challenging and hence this evaluation practice is almost not existent in the organization.

At this level of evaluation, the complexity and uncertainty always exist. This ultimate evaluation should be in terms of Results as required and expected by the Organizations. Results may be unique in terms of cost-benefit, Return on Investment, money saving, exhibition of particular quality value, practice of safety systems across the Organization, reduced material turnover, reduced attrition rate, faster delivery of goods to the customer, Innovation at multiple levels of an Organizations, increase in market share, expansion of geographical presence etc., Whatever may be the Results expected, this should be feasible, practical and sustainable. Otherwise, this level of evaluation will only be in paper and hence the HR practitioners will find this evaluation, a place in the utopian world.

The Results evaluation in practice cannot be the same and similar for all training programs of Knowledge, Skill, and Attitude. For some model of the training program, the Results are measurable and for some, this is not. Hence the Human Resource function and the Organizations need to be thoughtful, conscious and practical in arriving at this measure of Results. While deciding on Results evaluation, time and resource availability should also be kept in consideration for this evaluation to happen.

Short Term and Long Term Evaluation: Kirkpatrick's model seems to point out four well-conceived pillars on which measuring effectiveness in training is based. Emotional reaction and knowledge learned are key concepts in evaluating training efficiency. These factors indicate short term evaluation of a learning program. Behavioral changes and impact on the organizations are the other two measurements that connote long term evaluation.

The relevance of Short term and Long term evaluation to the organization: Without short term evaluation measurement, training runs the risk of imparting knowledge that is not transferable or irrelevant to the organizational goals. Without a proper emphasis on evaluating behavioral changes and impact on the organization, training may be successful but its benefits to the organization may be quite limited or in some circumstances meaningless.

Chain of Evidence: One of the concepts that Kirkpatrick talks about is identifying a 'chain of evidence' that provides compelling proof of the value of training to the organization⁵. He encourages us to supply a preponderance of proof, rather than providing the value beyond a shadow of doubt⁹. This is an important differentiation for trainers and training leaders who have beat their heads against the wall to prove empirically that their training was specifically what impacted results in a positive way.

The relevance of Chain of Evidence in the Organization: Given their importance, one might expect that the trainers and HR professionals are collecting chain of evidence for their learning programs. Unfortunately, this is not the case. The most commonly used form of evaluation being participant reaction, the chain of evidence gets initiated and concluded at this level for many learning

programs that are being scheduled. Chain of evidence is a feather in the cap to satisfy the top management that the training has provided required value in monetary terms. As Organisations are more towards number game, this would help Human Resource function to beat their drums, blow their trumpet that they also contribute towards Organization purpose in tune to Line functions. As Human Resource is inching towards Business Analytics, where every aspect of Business is moving towards measurement in terms of money value, Don's reference at this juncture will help the Human Resource function that they are equally valuable and the HR function becomes viable and as good as any other Organizational functions.

V. EPILOGUE

Measuring the effectiveness and performance of training programs can be overwhelming at times. Given the complexity of the environment we face at present, this measurement becomes still more cumbersome. Most organizations contemplate immediate returns in terms of money back to the organization; however, there are other things that the organizations can look at.

The lack of evaluation for learning programs has been lamented by a number of human resource development researchers. Many articles have been written about the importance of conducting evaluations, but more organizations pay lip service to evaluations than actually conduct them.

Why evaluation is felt necessary but not practiced? Evaluation helps to weigh the intervention planned vis-a-vis the investment. The objective of the training program is an improvement and this improvement must be tangible and effective. It is possible for someone to leave a course having enjoyed and believe they learned a great deal. It is only when they apply this knowledge, they discover, whether the training was effective in bringing the desired change contemplated.

Among methods of effective evaluation, 'Kirkpatrick model' is considered to be the industry standard and is frequently used by Human resource function for determination of training evaluation practice. This is a widely used framework has been confirmed by many authors. Though decades have passed after the model has originated, it is the only model that is being quoted quietly frequently. The fact that Don Model is being quoted for more than half a century across continents exhibits the strength of this model. With this four-level model designed by Kirkpatrick, training evaluation definitely becomes easier to practice. Moreover, for lack of training evaluation model, companies should never forego the evaluation of their training programs and need to ensure that their programs are indeed effective. The buck stops here.

The untold story is that though Don's Model is widely proclaimed, the L1 evaluation which is reaction evaluation is an only common evaluation that is found cutting across the organizations.

The other levels L2, L3, L4 are not quite frequent and is found practiced sparingly in the organizations. However, the other levels of evaluation are not even an awareness level to a reasonable extent. For this, only the organizations need to be blamed. The organizations have time many interventions but not for training and especially for training evaluation practice. The drive for training evaluation has to come from top management, Line manager, the HR function and the participant themselves all contributing in equal measure for effective training evaluation practice. There may be gaps and limitations faced for a few programs. However, the culture of training evaluation practice should enter each and every gene of the organization systems and processes.

Hence for the training programs to be effective, Kirkpatrick's four levels - all of them - need to be used, to get your training department and operations on the same page, the same side, to jointly win the battle. There may be instances wherein all the four levels of evaluation may not be required for

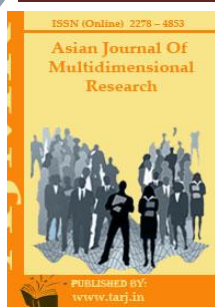
want of organization resources and support. At the least, necessary efforts should be put in place, for identifying the required level of evaluation. Subsequently, the necessary level of evaluation can be envisaged.

As a sequel, the employee may feel less vulnerable to downsizing as he has become an organizational asset exhibiting the required competencies. In such a scenario, the employee may become a hot cake to be treasured and revered by the organization. Rest assured, the employee may even achieve nirvana in the words of Abraham Maslow's motivational theory of Self-Actualization!

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INFORMATION TECHNOLOGY



AMAZON ALEXA – AN INTELLIGENT VIRTUAL ASSISTANT

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ABSTRACT

Amazon Alexa, is Amazon's virtual personal assistant, offer customers an intuitive way to interact with the technology that they use every day. Alexa is designed to make life easier by voice control interaction. It can also control several smart devices and is a part of home automation known as domotics. Alexa's capabilities can be extended by installing skills. Alexa updates through cloud automatically and is continually learning, adding new functionality and skills. This paper covers how it works, what it's capable of doing, its skill sets, privacy concerns.

KEYWORDS: *Alexa, Echo, AVS, Domotics, ASK*

INTRODUCTION

Amazon Alexa is a virtual assistant developed by Amazon, initially released in November 2014. First used in Amazon Echo and the Amazon Echo Dot smart speakers developed by Amazon lab126. It is capable of voice interaction, music playback, making to-do lists, setting alarms, streaming podcasts, playing audio books, providing weather, traffic and other relative information such as news. Alexa can also control several smart devices using itself as a home automation system.



Fig 1: Amazon Alexa

Amazon Alexa is a cloud-based voice control system. Amazon Echo or Alexa are one and same. Amazon Echo without Alexa is just a speaker. Amazon Echo is hardware and Alexa is software. Updates through the cloud automatically and is continually learning, adding new functionalities and skills.

Echo is a device that uses speech recognition to perform an ever going range of tasks on command. It has an echo, few speakers, microphones, and a small computer.

A small computer in echo can perform no. of tasks when wake word (Alexa, computer, echo, Amazon) is said. Alexa recognizes the word and starts recording the voice. When speaking is done, it sends recording over the internet to Amazon and reply is sent back to the user through echo.

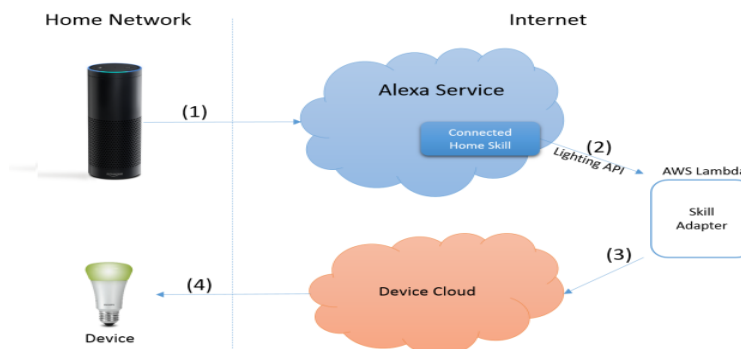


Fig 2: Alexa communication

Service that process this recording is called Alexa Voice Services (AVS), run by Amazon. This converts the recording into commands that it interprets. Its interpretation is simple. If you ask for time, AVS sends back an audio file of Alexa telling time, which echo plays back (or) user asks Alexa, what the weather in Chicago is today. And the answer comes from a speaker in female, slightly computer voice. Once the question is asked, the microphone takes everything and beams it up to Amazon cloud for quick analysis.



Fig: Alexa communication with the user

Echo connects to the internet via a home Wi-Fi network. It's always on and listens for wake word. Once it hears that, the device gathers the voice commands that follow and sends them to a natural voice recognition service in the cloud called AVS, which interprets them and send back the appropriate response. The device has an array of microphones that can pick up your voice from across the room.

Echo Hardware

Amazon Echo is a cylindrical device that measures around 9.25 inches in height and 3.27 inches in diameter. A microphone on/off button and an action button at the top of the device provides some control options and they rest on a ring you can rotate to adjust speaker volume. The main control is the seven microphone array built into the top, which uses beam forming technology and noise cancellation to hear your voice.

A light ring at the top outer edge provides status information, such as volume level, whether the device is streaming audio or microphone is turned off, via various light colors.



Fig: Echo hardware

A led that lets the user know the status of the device Wi-Fi connection sits near base just above the power cord.

Need for the study

All the latest versions of Alexa are included simple Wi-Fi setup, which allows connecting compatible smart devices with the sound of your voice. It makes companies easier to create compatible devices like smart TVs, smart appliances and smart garage door controllers. With the ability of Bluetooth connection, it can be used as a speaker and can also use to make VoIP calls. Using this ability, calling and texting features can also be integrated. Alexa can also be built in non-amazon devices. It offers Alexa Voice Service developer program to allow manufacturers to build their own Alexa devices.

Objectives of the study

To implement all the features of Alexa it needs Alexa Skill Set.

Alexa Skill Set (ASK)

Alexa provides a set of built-in capabilities referred to as skills. The Alexa skill set supports building different types of skills.

Custom skill handles any type of request.

A smart home skill that lets the user control and query cloud-enabled smart home devices such as lights, door locks, cameras, thermostats, and smart TV.

Video skill that lets the user control cloud-enabled video services.

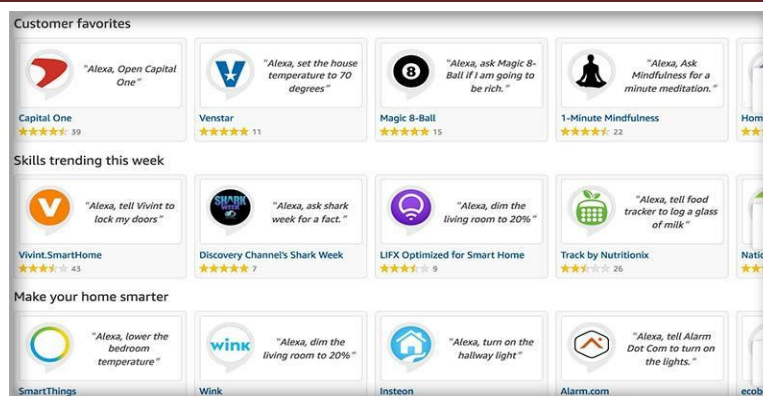


Fig: Alexa skill set

When a cloud-based service is created, that handles the requests for the skill type and host it in the cloud. The Alexa services route incoming requests to appropriate service. Different skills require different types of services.

LITERATURE REVIEW

For Amazon, which started as a platform for a better jukebox has become something bigger: an artificial intelligence system built upon and constantly learning from, human data. Users have the opportunity to control or at least influence three important markets: home automation, home entertainment, and shopping. More than 15,000 "skills," or apps, have been built so far, and app building tools have become so easy to snap together that it's now possible to build a simple skill in about an hour, without much programming knowledge. The more time Alexa spends with its users, the more data it collects to learn from, and the smarter it gets. Alexa doesn't need to decode each utterance. Large samples and semi-supervised machine learning is enabled to do it. Improvement comes from machine-learning techniques that reexamined thousands of previous exchanges in which Alexa stumbled. To make Alexa a better listener, Amazon's AI experts use so much data to make it a better speaker, fine-tuning voice, in order to boost usage. Traditional attempts at speech synthesis depend on fusing many snippets of recorded human speech.

DISCUSSION

Amazon's Alexa is a cloud-based voice recognition service API that can answer questions and enable next-generation voice-enabled IoT ecosystem. Amazon uses "Echo" to refer to the hardware that is connected to Alexa Service. The list of things Amazon's Alexa service can do is growing beyond imagination, and currently, it includes alarms and timers, checking for weather and sports, reading news headlines of the day, streaming music and answering general questions with searches on Bing and Wikipedia. Beyond these native abilities, this virtual assistant can also be trained with new skills for managing other connected devices, and services. All these abilities need to be done through voice commands that follow the same basic setup.

The integration has gone mainstream enabling businesses and makers of any kind of connected device to put Alexa's brain in their product or service to achieve business advantage and manage operations with improved workflows and reduced time. Thus, enterprises and device manufacturers are incorporating Alexa connectivity, which provides intelligent, scalable and error-prone voice user interface.

Alexa Skills Kit SDK is the principle extensible instrument of Amazon Echo and one of the viewpoints that separate the stage from other conversational interface arrangements. Utilizing the SDK, engineers can create new voice commands that co-operate with Web Services or AWS Lambda functions to perform the task with voice command. From broadening SaaS frameworks with voice interfaces or streamlining existing business forms utilizing voice commands, the Alexa Skills Kit gives the model that adapts Amazon Echo in big business situations.

5 Steps to integrate Alexa in your IoT ecosystem

Step 1: Use Amazon Echo through which user can send voice command to Alexa.

Step 2: Create skills set for the users to interact with their cloud-connected devices via voice. (skills such as turn on or off lights). Send a voice command via Echo or Mobile Application, which will work through its functionalities also known as Alexa skill Set. Each skill set is linked with an Alexa API for that particular command.

Step 3: Alexa API composes a message which is sent to the AWS lambda where the voice is processed and confirms the action. The lambda function communicates desired action to the device cloud

Step 4: The device's cloud, interprets the message and signals the device to turn on or off.

Step 5: A message is sent back to the Skills API whether it was successful or not. Alexa uses this response to provide feedback to the user.

AWS (Amazon Web Service) Lambda is a service that lets user run code in the cloud without managing servers. Alexa sends user code requests which are inspected and necessary actions are taken and then a response is sent back.

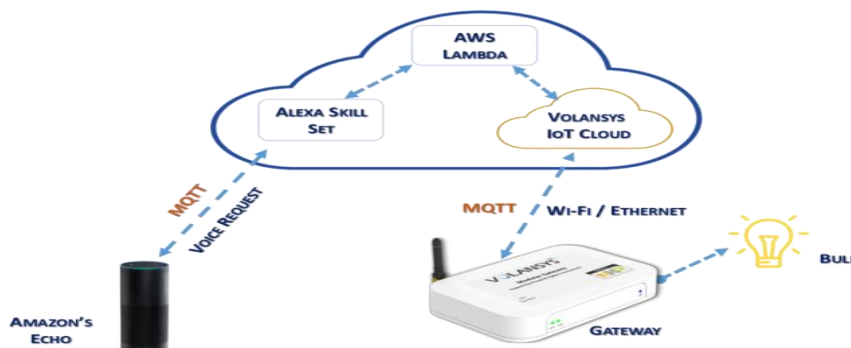


Fig: the process of communication.

Speech Synthesis Markup Language (SSML)

When the service for skill returns a response to a user's request is provided in the text that the Alexa service converts to speech. Alexa automatically handles normal punctuation, such as pausing after a period or speaking a sentence ending in a question mark as a question. The Alexa Skills Kit provides this type of control with *Speech Synthesis Markup Language (SSML)* support.

Speech Synthesis Markup Language, or SSML, is a standardized markup language that allows developers to control pronunciation, intonation, timing, and emotion. SSML support on Alexa allows you to control how Alexa generates speech from your skill's text responses. You can add pauses, change pronunciation, spell out a word, add short audio snippets, and insert speechcons (special words and phrases) into your skill. These SSML features provide a more natural voice experience.

Alexa Skills Kit supports a *subset* of the tags defined in the SSML specification. The specific tags supported are listed in Supported SSML Tags.

SSML Tags

Whispers – Convey a softer dialog with `<amazon: effect name="whispered">`.

Expletive beeps – Bleep out words with `<say-as interpret-as="expletive">`.

Sub– Use the `<sub>` tag when you want Alexa to say something other than what’s written?

Emphasis – Add `<emphasis>` to change the rate and volume at which Alexa speaks.

Prosody – Use this page to control the volume, pitch, and rate of speech

`<amazon: effect name= whispered">`

The new **Amazon: effect** tag coupled with the name: “whispered” allows Alexa to convey a softer dialog. Notice in the sample below, that **Amazon: effect** requires a closing tag.

`<Speak>`

The user name is Alexa Devs and the password is... waiting, come closer...

`<Amazon: effect name="whispered"> the password is whisper. </amazon:effect>`

`</speak>`

The Alexa Skills Kit (ASK) enables developers to build capabilities, called skills, for Alexa. ASK is a collection of self-service APIs, documentation, tools, and code samples that make it fast and easy for anyone to add skills to Alexa.

LIMITATIONS

Even though Alexa is popular, it has a few limitations. Sometimes, things might not work exactly how you would expect them to. For example, to create a shopping list by telling Alexa to add fire crackers or beer to list, each item must be added separately. Instead of “Alexa, add fire crackers and beer to my shopping list”, it is “Alexa, add fire crackers to my shopping list and Alexa, add beer to my shopping list”. This process is annoying if the list is big.

Alexa has a limited no. of wake words i.e; “Alexa”, “Echo”, “Amazon”, “computer”. Owners can change each Alexa device name, but it gets confusing to remember which one responds to “Alexa” and which one to “Computer”. This problem is resolved by second-generation to echo having new Echo Spatial Perception technology which activates voice commands from one echo device, one closest to you regardless of many devices in the room.

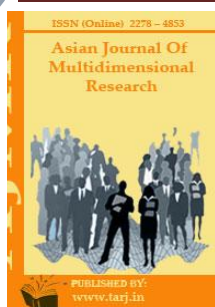
Sometimes, Alexa can’t hear request due to background noise or it is playing music too loudly. This is also resolved in second generation Echo which can hear and understand voice commands even with music playing in high volume.

CONCLUSION

Smart home devices make life easier at home and give users the ability to do several things at the same time. The more you talk to Alexa, the more it adapts to speech patterns, vocabulary, personal preferences. Alexa comes included with the Echo and other Alexa devices.

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APPLICATION OF INTERNET OF THINGS (IOT) IN INDIAN FARMING

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ABSTRACT

India is a land of different weather conditions and versatile soils. Every year Indian farmers are facing the problem of sudden rain in their areas without any correct weather forecast which leads to damage to the already grown crops. The second major problem pertaining to Indian farmers is the lack of sufficient knowledge about their soil. The soil forecasting of how the soil structure is changing day by day due to different weather condition and other external factors, and which crop will be optimally suited to be grown in such soil are some of the problems common to the farmers. This paper makes an attempt to assess and propose a model solution along with developing a prototype of the device using IoT for use by farmers in Indian agriculture practice. The solution proposed will have a centralized data server to analyze the data and report to the farmer the precautionary steps to be taken in advance for the safety of the crops. The solution proposed have eco-friendly energy management through the solar plant and wind energy which makes IoT device more portable and low cost, along with making it implementable in Indian rural sectors.

KEYWORDS: *Implementable, Sufficient, Pertaining*

INTRODUCTION

Indian agriculture is still lacking the use of technology to improve predictability and correction in various aspects of the farming process in due course of time. This results in either poor yield or partial/ total damage to the crops. It is still a long way to go finishing the entire curriculum of devising technology, testing its efficacy and digging out the problems in its implementation in Indian agriculture system. Then again find its suitability in our ecosystem.

Here, we assess and propose a model solution at the same time develop a prototype of the device using IoT for use by farmers in Indian agricultural practices. The solution proposed will have a centralized data server to analyze the data and report to the farmer the precautionary steps to be

taken in advance for the safety of the crops. The solution proposed have eco-friendly energy management through the solar plant and wind energy which makes IoT device more portable and low cost, along with making it implementable in Indian rural sectors.

Review of the Past Works

Availability of advanced technology and on-going research in the field of agriculture suggest various technology solutions for optimum farm yield along with the crop. Use of IoT is proposed in a paper¹ where the author used a sensor network to the connectreal-world object of agriculture.

Paper³ under reference suggest using Wide Area Network (WAN) based soil temperature and humidity monitoring system which uses ZigBee and GPS technology for solving the agriculture soil problem. Paper⁴ proposed *artificial neural networks* to predict and provide information on crop cultivated by observing soil properties and atmospheric parameters. In a paper⁵ referred, the author has shown how the Representational State Transfer (REST) Application Program Interface (API) and the internet can be used for agriculture monitoring. “Decagon 5TE soil sensor” soil sensors were used in the paper to abstracting various property of soil. In paper⁶ under reference, the author has talked about the use of sensors for weather forecasting, and wildlife management in the agriculture domain. In a paper⁷ it is written about the connected farm concept based on IoT device which helps farms to communicate with nearby farm to exchange information. In paper⁸ Commonwealth Scientific and Industrial Research Organization (CSIRO)'s scientists have proposed uses of sensor networks on agriculture farm and mentioned about the possible changes that can be done using sensor networks in agriculture development.

Motivation

The alarming situation of Indian farming lead the authors to put their efforts in the design and development of a sophisticated system using the most recent research topic of discussion namely “Application of Internet of Things (IoT)”. The primary focus of this work is to make the readers aware and understand the application of IoT in the agricultural area in an Indian setting. The proposed architectural design of the device is to make the understanding clear about each specific block through the aid of developed models and technology stacks as discussed in the paper.

It is vital to understand the functions and outputs of each block to have clarity of the whole integrated system. If one understands the IoT principle underlying such operation, then he will be in a position to appreciate the complexity of the problem and thereby develop a liking towards the application of IoT in the field of agriculture. This paper thus makes an attempt to educate future researchers through IoT about the complexity of the problem that the Indian farmers are facing today. Further, implementation of the device on an agricultural area in the rural part of India would be done as a final goal of this project. Before that our next step would be the coding, simulation, and development of a prototype model of the project, which is already in process.

Design and Implementation

The main constraint in the current system is that there are many technologies available in the market which can be used to help farmers for improving crop quality, soil checkup, water system automation, weather forecasting, etc., but those technologies are not readily accessible to farmers. For instance, considering soil checkup and profiling a farmer need to travel to agriculture centers located in nearby cities. Some farmers tend to use these facility centers but the majority of the farmers does not have any idea about these centers or they just ignore and process with the traditional way of doing farming.

To make all the technologies available for everyone, one has to come up with an Internet of Things (IoT) device which combines all the available technologies such as soil checkup, weather forecasting, water system automation, and thief protection. The plan is to implement 4 to 5 devices in one crop field for better data capture and give better results.

Design of the IoT micro-controller and device connections is shown in Fig. 1 which uses TC1047/TC1047A microchip which is a low power drive micro-controller with proven performance and quick response to the signal inputs.

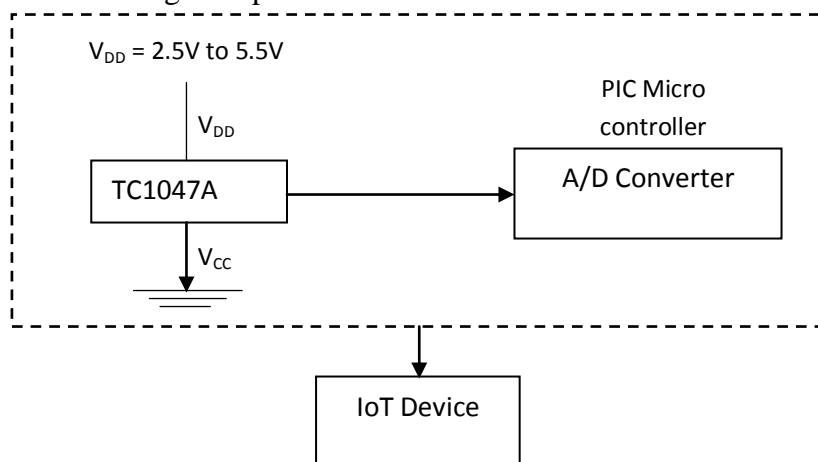


Fig.1. Block diagram of a TC1047/TC1047A microchip connection to an IoT device.

The device is also implemented with Humidity and Temperature Sensor which will keep track of the humidity in the wind and surrounding temperature in real time. The sensors like Microchip's TC1047 and TC1047A are linear voltage output temperature sensors in which output voltage is directly proportional to the measured temperature. The same will be updated to farmer mobile device to make the farmer aware of. These micro-controllers are usually having a considerably low voltage drive input, thus even solar energy or any other non-conventional energy source can also be utilized for this purpose.

i. Soil Condition and Properties Sensors

The soil condition and property are the major factors which help decides the crops that can be cultivated in the field. But there are very few resources available for the farmer to check their soil conditions. Although the Indian government also has mobile messaging service and customer support centers for agriculture queries, the soil condition is left untouched due to issues related to distance supports. The IoT device implements the sensors needed to determine the major nutrient of the soil like nitrogen, phosphorus, and potassium. Decagon 5TE Soil sensor⁵ can be used for detecting the soil properties. The captured data from multiple devices in the field may be analyzed and displayed on the farmer's mobile device. The data analyzed will also help the farmer to make a decision of which crop is best suited for the field for cultivation and also the fertilizer required to be used for. With a large number of device implemented the data from one place of soil can be used to predict the behavior of other crop fields, e.g., if the soil condition and properties of Area-1 match the Area-2 soil condition and properties, the data analyzed can be used for Area-2 also.

ii. Weather Forecast

The IoT device will make an Application Program Interface (API) call with latitude and longitude of the particular field over the internet to get the best weather forecast for the particular position. An alert for the same will be displayed on the farmer mobile device with suitable precaution measure to be taken⁹.

iii. Communication & Centralized Server

The IoT device will have the feature to communicate between one field to another field also. For instance, if there is a heavy wind in Area-1 which is 4 Km from Area-2, then the Area-1 device can raise an alert signal to Area-2 devices for the farmer to take early preventive actions. All the data captured from various devices will be stored in the centralized server so that all the data for different soil conditions can be analyzed centrally. This will help in forecasting soil behavior during the different seasons of the year. This will also help with suggesting the best crop for a season for the soil of particular field, and will also help with sending an alert message to farmer's mobile device. The centralized server will also help the government to look into analyzed data and propose the proper policy for different areas and climatic conditions for the benefits of farmers.

iv. Theft and Animal Grazing Protection

In India, there is always a problem with theft and animal grazing of crops, especially at night time. The IoT Device is implemented along with motion detectors(i.e., motion sensors) which detect animal or human presence around the fields. If any presence of animal or human is detected the device will raise an alert signal on farmer mobile to take an early preventive action¹⁰.

v. Visual & Voice Message Alert System

In India, in many States and sectors, we have the problem of illiteracy of farmers who cannot read or write. To help answer this issue, the mobile app will be implemented with visual and voice messaging alerts. The voice messages will be in the regional language of the farmer. There will be an option to select specific language during installation of the device or even afterward.

vi. Energy Management System (EMS)

The IoT device will be implemented with an efficient energy management system to power various components of the device. The energy source consists of a battery as well as the solar panel. This is also clarified while discussing Fig. 1 above.

Data Points

The various data points are important factors for the correct working of the device. We consider the following data points:

- **IoT device:** There will be different IoT devices (sensors) with a unique identification number (UID) placed at particular latitude and longitude (or, the place demarked for such installations). The given data by each device will be synchronized in real time with a centralized server using TCP/IP protocol. The device will have major data collection points which will give the parameters like soil condition, water level, temperature, wind humidity. The IoT device will have a provision to detect and record the nearby IoT device identification number containing some data value, which would be then averaged in order to alert the surrounding areas with a manipulated result thereby acting as a conditioned forecasting device.

- Government Agro Portals: India government has a support system for the farmer. The data can be collected from the support system and analyzed. The data can also be used to forecast using various control algorithms like Adaptive Neural Networks (ANN) of Artificial Intelligence (AI) techniques.
- Farmers: A farmer himself can be the best data point as he can feel everything in the real world. The mobile app will have quick questions and answer which farmer can easily select and the data can be submitted to a centralized server for analysis. This mechanism is a manual process but sufficiently effective as the farmer has years of experience along with mostly accurate heuristic estimations.

Table. I. shows distinct parameters used as a data sample collected from an IoT device which records, collect and further sends the collected data to the server for processing. The processed data is analyzed and used to generate suitable alarms on the farmer mobile device.

Sl. No.	Parameters	Measurement performed
1	Soil properties	<ul style="list-style-type: none"> ▪ pH ▪ Salinity ▪ Cation exchange capacity (CEC) ▪ Organic matter ▪ C: N ratio (Carbon to Nitrogen)
2	Humidity (%)	Percentage of water content in soil at different point of time.
3	Temperature ($^{\circ}\text{C}$)	Environmental temperature – favourable to the crop.
4	Natural calamities (F= Flood, and E=Earthquake)	Information concerning flood or earthquake to alert.

TABLE. I. IOT COLLECTED DATA SAMPLE TYPES

Proposed Model

The proposed model of the complete system can be seen in Fig. 2. The model consists of several individual blocks with a specific function. The system is composed of IoT device which is protected with a firewall for connecting to the application server. A web server will be a medium for collecting all the external data points which will be processed by Analytic and State services. The core engine will be running to support web server for all the logical implementation. An Application server which will act as a processing unit for all the views like a mobile device, web view, and all external third-party interface. All the collected data after processing will be stored in the database in the cloud. This virtual application server will be duplicated for different regions for making the server availability for all the IoT devices. A central cloud server such as Amazon Cloud Server will be mentioned virtually, which will be connected to a local cloud server (amazon cloud server with server location configured in the nearby IoT implemented farms). Transmission Control Protocol/Internet Protocol (TCP/IP) protocol will be used to communicate between the device and the server. General Packet Radio Service (GPRS) or Local Area Network (LAN) technology will be used as connectivity medium. A local volunteer team will be assigned and given training for maintaining device and checking the system from time to time.

Hardware Implementation

1. **Sensor Nodes:** Decagon 5TE Soil sensor [5] is available for getting the soil data. The high sensitivity capacitive humidity sensor is developed by Micro-Electro-Mechanical Systems (MEMS) technology [9] and also by Infrared based motion sensing system [10].
2. **Raspberry Pi as Hardware for the operating system.** OS like Linux or MS windows can be easily deployed to Raspberry Pi and can be used for high computation. Network devices, sensors can be easily added to the Raspberry Pi socket to make the sensors functional with very low power requirement.
3. **Solar Plate& Chargeable Battery:** As the device will be placed in open field eco- friendly energy system like solar plates will be connected to a device with efficient chargeable battery to keep the device running 24 hours.

Technology Stacks

The technology stack of the complete system can be seen in Fig. 2. The stack implements different data points like IoT Device event logs, user inputs, past analyzed data, and other nearby IoT device. The programming language that is being proposed is to use Python which is widely used and scalable programming language for any big system. The Platform will be managed by Analytic engine and cache management system to distribute the load. The top section of the stack describes the possible use cases for the above-described system.

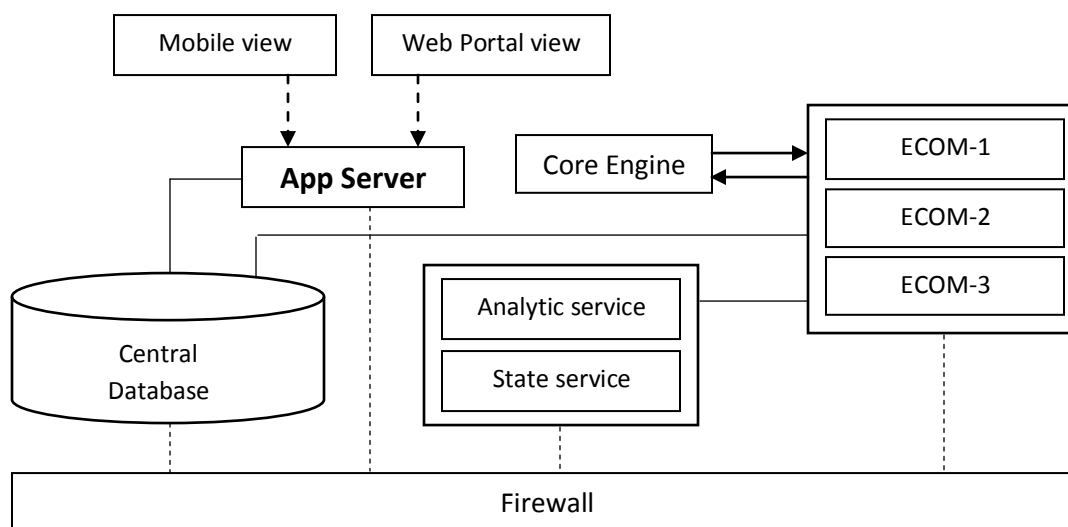


Fig. 2. The complete architectural design of a proposed system showing major components integrated into a system

Technology and uses of the stack can be explained as below:

1. **Data Source:** Data sources comprise of all the inputs to the IoT device which can be first recorded, then collected for the system in order to perform a particular task. The data source can also contain data provided by the farmers using mobile device operation and also the historical data collected from government sources as discussed earlier.
2. **Processing Unit:** Data collected in the data source will now be processed and analyzed in the processing unit. The processing unit consists of components like Analytic engine powered by

Apache Spark and R programming language for big data processing. Python as the programming language is used for interfacing different component and algorithm implementation. The cache management system is also implemented in the processing unit to make the 100% availability of the system. Business logic will be maintained as a separate layer to be available for all the processing unit and analytic system. Data access layer provides access to processed data. This layer will be having a REST API interface, which supports any third party system to be integrated with the proposed system.

3. **Core Functionality:** The core functionality which we are planning to implement are; soil properties check, weather forecasting, automatic water level optimization, Real-time impact management like wind speed monitoring, rain forecasting with the use of nearby data collected from different IoT device in the adjacent locations, visual and voice alerts, which make the proposed system unique. The different parameters identification, detection and alarming of the farmers before the disaster, are some of the special features of the device and mechanism been implemented. As a preliminary stage of our work, the alerts will be supported in English and Hindi language but the architecture of application will be designed such that it can support any regional language for alerts in the future.
4. **User Cases:** This section of technologies stack defines the possible user cases of the proposed system. This paper proposes the user cases like improving the productivity of Indian farmer by analyzing and suggesting the best crop of the season, fertilizers required with different useful alerts and many more qualitative suggestions as support. The system when implemented can provide a centralized database of soil properties at different latitude and longitude, which can be very useful for policy making in the field of agriculture under the Government of India. Improving the productivity and providing farmer useful alerts in turns improve the farmer life reducing a number of farmer suicide cases in India.

Wireframe Interface Structuring

The wireframe will describe the basic proposed model mobile screen for farmers. The mobile application will have a proper login screen to identify the users (farmers). Once the user logged in he/she can see all the devices owned by him/her. The device which requires attention will be shown in red color or the color users find it easy to understand the meaning of.

On clicking the device, the farmer will have different options to interact with the IoT device or view the status of the current field. Visual alerts can be present to the user's screen for the particular device. The screen will also show how the user can select various suggestions available for the respected alerts. A navigation menu will be available to navigate through each section.

CONCLUSIONS

Agriculture is an important part of the Indian economy. The IoT smart device, as described and discussed in the paper, will play a vital role in improving farmer's life as well as increases the crop production efficiency to its optimal margin. Educating farmers with visual alerts will help them to make better and efficient and individual decisions in a given moment of time. Different devices connected with each other help in evaluating the better data points and analysis which will help the Indian government to make better policies for farmers.

Indian farmers are still unfamiliar with the properties a soil possesses and the best crop that *can* be grown in the respective fields. This IoT device will help them to easily know each detail of their soil, water level and fertilizer required for the field, thereby, providing sufficient knowledge as required for them to improve the yields. Weather forecasting and theft protection with visual alerts in their own language is an added advantage of the proposed system.

Further, our aim is to develop an actual implementation of the product on a particular agricultural land to find practical implementation as well as the practical hurdles yet to be encountered.

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