A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

A STUDY ON AGRICULTURAL MARKETING AND IT'S FINANCE ININDIA

Janda Ramesh*

*Faculty in Management,St. Joseph"s PG College,
Andhra Pradesh, INDIA

ABSTRACT

Agricultural marketing plays an important role in the process of agricultural development in India. To increase the incentive to the producer, to go for higher production and better return, efficient marketing system is essential. It helps to provide remunerative prices to the consumer by reducing the marketing cost. The present paper will throw light on the importance of agricultural marketing in economic development, basic facilities needed for agricultural marketing, marketing of agricultural products, non-agricultural finance, agricultural finance, source of agricultural credit, functions of NABARD, and classification ofagricultural markets.

KEYWORDS: *AM (Agricultural marketing), Economic development, Agricultural finance, NABARD.*

INTRODUCTION

The term agricultural marketing is composed of two words agriculture and marketing. Agriculture in the broadest sense means activities aimed at the use of natural resources for human welfare, i.e., it includes all the primary activities of production. But generally it is used to mean growing crops and raising livestock. Marketing connotes a series of activities involved in moving the goods from the point of production to point of consumption. AM is study of all the activities, agencies policies involved in the procurement of farm inputs by the farmers and the movement of agricultural products from the farms to the consumers. Simply it can be considered as a link between the farm and the non-farm sectors.

Since independence India has made substantial progress as far as agricultural finance is concerned. Moneylenders were the main source of credit during the 1950s, including occasional lenders like landlords and traders.

According to the All India Credit Survey, moneylenders were the most convenient and easiest source of credit. The moneylender did not distinguish between production and consumption credit. The credit was available when the farmer needed it. His administration was simple and flexible. He could assess the creditworthiness of not only the borrower but also his entire family. Cultivators depended upon moneylenders for their cash requirements.

During the past few decades, the importance of moneylenders as suppliers of cash has declined rapidly. For instance, according to the All India Rural credit Survey undertaken in 1951, moneylenders accounted for nearly 70 percent of all rural credit; the figure in 1981 was 16 percent. This fact shows clearly that the moneylenders are losing ground to institutional agencies. The government took various steps in order to solve the problem of rural credit and drawn financial policies, thus enabling agricultural growth. Let us first understand the finance structure in villages. Finance in villages can be classified non-agricultural finance and agricultural finance (credit).

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

PREVIOUS STUDIES ON AGRICULTURAL MARKETING:

In another study relating to Agricultural Marketing Issues and Challenges by Sri S.S.Acharya stated that in dynamic and growing economy, the agricultural marketing provides important linkages between the farm production sector and the non-farm sector. Apart from performing physical and facilitating functions of transferring the goods from the producers to consumers, the marketing system also performs the function of discovering the prices at different stages of marketing and transmitting the price signals in the marketing chin. The issues in agricultural marketing relate mainly to the performance of the marketing system, which depends on the structure and conduct of the market. The performance of the marketing as remained under continuous scrutiny and the government took several initiatives to influence the structure and conduct of agricultural produce markets.

OBJECTIVES OF THE STUDY

The study mainly focuses on the following objectives.

1. To study the role of Agricultural marketing in economic development of India.
2. To examine the basic facilities needed for agricultural marketing inIndia.
3. To study the Non-Agricultural finance and Agricultural finance.
4. To study the source of Agricultural credit.
5. To know the main functions of NABARD.
6. To study the classification of agricultural markets.

RESEARCH METHODOLOGY

In pursuance of the above objectives, the study was achieved through collection of secondary data from the annual reports, acadimic books, and websites. The primary data is gathered through interview with agricultural marketing personnel. Due to the availability of data, the information is restricted to the present view in India.

MARKETING OF AGRICULTURAL PRODUCTS

Agricultural marketing has two types: input marketing & output marketing.

INPUT MARKETING: This refers to marketing of products required for agricultural production. Unlike urban markets, rural areas are production centers. To produce foodgrains, vegetables, fruits etc, a large number of inputs are needed. These include seeds, fertilizers, pesticides, agricultural implements (tractors, pump sets, etc.), cattle feed, poultry feed. Input marketing also includes marketing services such as diesel engine repair and health care.

OUTPUT MARKETING: This includes he marketing of food grains, vegetables, milk etc. because of the high degree of fragmentation of holdings, the producer finds it difficult to sell his product at a remunerative price. In order to overcome this problem, the government provides support prices; enters the rural market to purchase agricultural produce at a fixed minimum price. The objective is to support the grower in marketing his produce. The government provides subsidies in the case of agricultural input marketing, while in case of outputs, it gives price support.

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

IS AGRICULTURAL MARKETING COMPLICATED?

Agricultural marketing has its own special characteristics, which make it very risky and complicated. Some of these are as follows.

1) Most agricultural produce is perishable and therefore requires special processing, storage and timely disposal.
2) Agricultural produce is consumed throughout the year, but produced on a seasonal basis. Therefore special storage and stocking is needed.
3) A majority of agricultural producers are small-scale producers and their production also varies depending upon rainfall, natural calamities, etc. There is no assured production.
4) Timely collection of agricultural produce from scattered small producers/ farmers is very difficult and costly.
5) Demand for the produce is spread throughout the country and throughout the year. Making available to consumers what they want and when they want it needs considerable planning and investment.
6) Agricultural produce, unlike other products, loses weight and also suffers from quality deterioration. Very good storing, maintenance and transportation are essential.
7) Producers/farmer needs continuous support, guidance and the latest technology to increase yields.
8) The illiteracy and ignorance of producers/farmers leads to their exploitation by middlemen. Farmers or producers are not able to undertake any of the above activitiesand hence depend upon the middleman.

NON -AGRICULTURAL FINANCE

A farmer will take a loan to finance his family‟s daily subsistence requirements and personal needs. These basically include building a house, marriage expenses of his son or daughter, etc.

AGRICULUTURAL FINANCE

Agricultural finance is basically utilized by the farmer for pre-harvest and post harvest activities. Credit is usually taken to purchase seeds, fertilizers and other agricultural inputs. Agricultural credit is further classified into production credit and consumption credit.

PRODUCTION CREDIT: These loans taken to fund pre-harvest farm activities such as buying seeds, fertilizers, pesticides, payment of wages, improvement of land, etc. It is takenat the pre-harvest time. Production credit can be short-term, medium term or long-term.

- **SHORT-TERM LOANS:** These loans are given for 15-18 months and include loans to meet daily working capital requirements for buying inputs, payment of wages, charges for machinery or tools, electricity charges, etc. It may involve a cash component and a kind component.

- **MEDIUM-TERM LOANS:** These loans are given for 15 months to five years. These loans are used for buying livestock, agricultural machinery, equipment, etc. Only a part of a medium-

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

term loan is expected to be used in current production. The remaining is carried forward over a period of seven years.

- **LONG-TERM LOANS:** Loans are made available for five-seven years and may be used for activities like land fencing, mechanization, building farm houses, storage facilities, etc.

CONSUMPTION CREDIT: farmers require money for day-to day family and farm expenses, like marketing the agricultural produce, harvesting the crop etc. farmers also have to take loans during natural calamities such as droughts, floods, crop destruction due to disease, insect infestation etc.

SOURCES OF AGRICULTURAL CREDIT

Besides traditional landlords, there are various other non-institutional sources such as wholesale commission agents, mobile traders, shroffs, etc. that provide credit to farmers. Also the system of institutional credit is unique to Indian agriculture.

NON-INSTITUTIONAL SOURCES OF FINANCE: These include private and individual creditors operating mainly at the village level. They usually charge high interest or issue credit on some collateral security such as house, farm land, cop or produce, etc. Some of these non-institutional sources are:

- **MONEYLENDERS:** These are the most important non-institutional sources of credit for farmers. They charge very high interest rates and are known for their cruelty and exploitation of farmers. They act as indigenous bankers or shroffs as their scale of operation is very high and they are capable of lending huge amount of money.

- **LANDLORDS/JAMINDARS:** They are mainly the richest and the most influential persons in the village after the Sarpanch. They are large cultivators with lots of surplus funds. They advance money to small cultivators on the condition that the produce is sold through them.

- **PUCCA ARAHATIAS:** These are the commission agents who trade in bulk quantities of the produce. They are a very important connecting link between the farmers and the wholesale market. They provide credit to the farmers for harvesting and post-harvesting operations.

- **BEOPARIS:** These are the local traders who move from village to procure agricultural produce. They advance money to the farmers with an understanding that the produce will be sold at a discounted price to them.

- **INSTITUTIONAL SOURCES OF FINANCE:** The Indian government is keen on promoting agriculture and set up several finance institutions.

1. CREDIT CO-OPERATIVES: These are voluntary organizations formed by likeminded members in order to achieve a common economic objective. Their main objectives are to provide timely and increased flow of credit, ensure balanced regional credit and to arrest the monopoly control of money lenders. However, these co- operatives suffer from certain limitations that have restricted their success to a large extent. These include:

i. Limited geographic coverage
ii. Small and marginal farmers neglected

iii. Inconvenience in borrowing
iv. Huge over dues
v. Linked with ownership of land

2. PACS, LAMPS: A co-operative credit society commonly known as the Primary Agricultural Credit Society may be started with ten or more persons, normally belonging to one village. The members have unlimited liability, that is, each member is fully responsible for all the losses of the society in the event of a failure. The loans are given for short periods, normally for a year, for carrying out agricultural operations. Along with co-operative banks and PACS, LAMPS (Large-Sized Adivasi Multipurpose Societies) provide rural credit in extremely remote and adivasi areas. Along with credit they offer various other support services.

3. REGIONAL RURAL BANKS (RRBs): The main objective of RRBs is to provide credit to small and marginal farmers, agricultural laborers, artisans etc., to ensure growth and development of agriculture, trade, commerce and other productive activities. Initially five RRBs were set up on 2 October 1975. Each RRB has an authorized capital of Rs 1 core and issued paid-up capital of Rs 25 lakh.

Although the RRBs are basically scheduled banks, they differ in certain aspects:

- The lending rates of RRBs are usually lower than the prevailing rates in co-operative societies in the respective states.
- The area of coverage of RRBs is limited to a certain region comprising of one or two districts of a state.
- The RRBs offer their services only to small and marginal farmers, artisans and other financially weak sections.
- Their main aim is regional development and satisfying the needs of the poor and weaker sections of the particular region.

4. LEAD BANK SCHEME: Under this scheme, one of the commercial banks becomes a lead bank in the district and coordinates credit development activities there. It acts as a coordinating link between the co-operative banks, commercial banks and other financial institutions. The main idea behind the scheme is to enable rapid branch expansion; it helps identify districts where there are no banks to open branches there. Under this scheme, banks extend short and medium-term loans to customers. The commercial banks are financing the integrated Rural Development Progamme to accelerate economic growth. The banks also extend support through direct and indirect finance schemes to meet the various needs of farmers.

5. NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT (NABARD): NABARD is the apex body that looks after the financial needs of agricultural and rural development. It is concerned with all matters concerning policy,planning and operations in the field of credit for agriculture and other economic activities in rural areas. The committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development (CRAFICARD), set up by the Reserve Bank of India (RBI) under the chairmanship of B. Sivaraman, conceived and recommended the establishment of NABARD. The Indian Parliament Act 61 of 1981 approved the setting up of NABARD. The bank came into existence on 12 July 1982, and was dedicated to the service of the nation by the then prime minister, India Gandhi, on 5 November 1982.

FUNCTIONS OF NABARD

1) Serves as an apex refinancing agency for institutions providing investment and production credit and promoting developmental activities in rural areas.

2) Takes measures to build institutions to improving the absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc.

3) Coordinates the rural financing activities of all institutions engaged in developmental work at the field level institutions concerned with policy formulation. Undertakes monitoring and evaluation of projects refinanced by it.

NABARD"s refinance is available to state land development banks (SLDBs), state co- operative banks (SCBs), RRBs, commercial banks (CBs) and other financial institutions approved by the RBI. The ultimate beneficiaries of investment credit can be individuals, partnership concerns, companies, state-owned corporations or co-operative societies.

In addition to the institutions sources of finance discussed in the diagram, there are many other options available for a farmer to take a loan for agricultural purposes.

A. MICRO-FINANCE: This has been a fairly successful model in rural India. It is more than just an instrument for credit transfer; it is a vehicle to improve the overall quality of life. Micro-finance is mainly carried out by self-help groups (SHGs). NABARD is actively supporting SHGs and Micro-finance activities are very strong in AndhraPradesh, Karnataka and Madhya Pradesh.

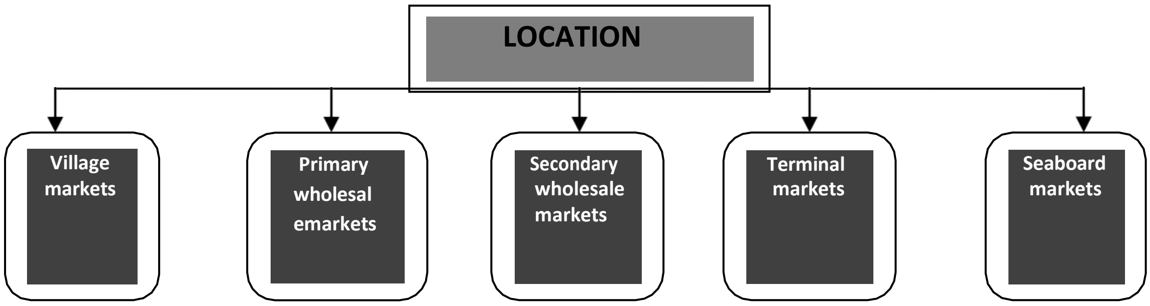
B. KISAN CREDIT CARDS: Another notable development in recent years is the introduction of Kisan Credit Cards (KCCC) in 1998-99. The purpose of the KCC scheme is to facilitate short-term credit to farmers. The scheme has gained popularity and its implementation has been taken up by 27 commercial banks, 187 RRBs and 334 central Co-operative Banks. In a short period of two years a little more than 1 million KCCs had been issued and 21,220 crore of loans had been sanctioned against these cards.

CLASSIFICATION OF AGRICULTURAL MARKETS

Agricultural markets can be classified based on Location, Area/Coverage, Time Span, Volume of Transactions, nature of Transactions, Number of commodities, and Degree of competition, Nature of Commodities, Stage of Marketing and Extent of Public Intervention.

AGRICULTURAL MARKETS AS PER LOCATION

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667



I. VILLAGE MARKETS: Located in small villages. Major transactions take place among buyers and sellers of a village.

II. PRIMARY WHOLESALE MARKETS: Located in big towns near centers of production of agricultural commodities. A major part of the produce is brought for sale by the producer-farmers themselves. Transactions are between farmers and traders. These are owned by market committees, local bodies or private individuals and are periodically held; shopkeeper has to pay rent for the space he occupies.

III. SECONDARY WHOLESALE MARKETS: Located in district headquarters, important trade centers or near railway junctions. Major transactions take place between village traders and wholesalers. The bulk arrival in these markets is from other markets. The produce in these markets is handled in large quantities. There are specialized marketing agencies performing different functions, such as commission agents, brokers and weighmen.

IV. TERMINAL MARKETS: Here the produce is finally sold directly to the consumer or the professor, or is called for export. These markets possess sufficient warehousing and storage facilities covering a wide area extending over a state ortwo.

V. SEABOARD MARKETS: Located near the seashore, meant for exporting or importing goods.

AGRICULTURAL MARKETS AS PER AREA/COVERAG

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

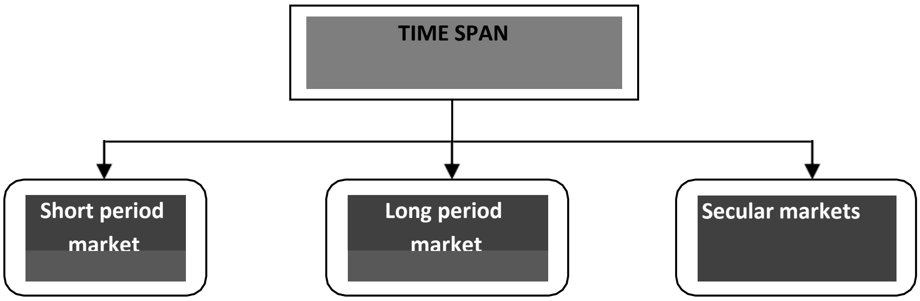
I. LOCAL OR VILLAGE MARKETS: Buying and selling activities are confined to buyers and sellers from the same village or villages, mostly perishable commodities in small lots, such as fresh milk.

II. REGIONAL MARKETS: Buyers and sellers are drawn from a larger area. Dealin, for example: food grains.

III. NATIONAL MARKET: buyers and sellers at a national level deal in durable commodities like jute and tea.

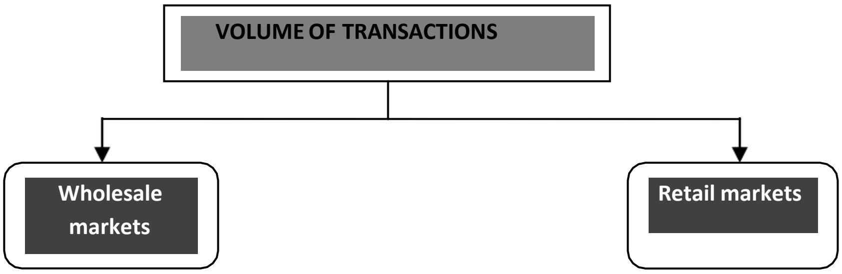
IV. WORLD MARKET: Buyers and sellers are drawn from the whole world, deal ingoods such as coffee, gold, silver and cotton.

TIME SPAN



1) Short period market: held over a few hours. Deal in products of a highlyperishable nature, like fish, milk.
2) Long period markets: Held over a longer period. Products are less perishable, like foodgrains, oilseeds.
3) Secular markets: Dealing in manufactured goods, timber, etc.

VOLUME OF TRANSACTIONS

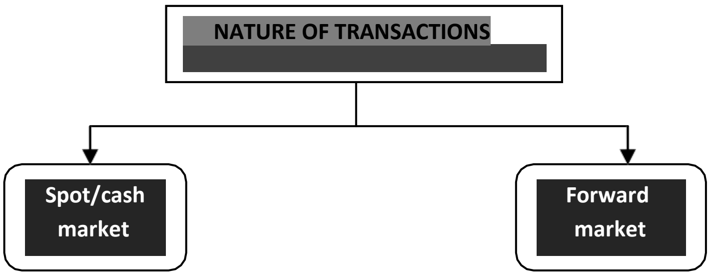


I. WHOLESALE MARKETS: Commodities are bought and sold in largequantities/bulk. Transaction is between traders.

II. RETAIL MARKETS: Commodities are bought and sold as per consumer requirements.

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

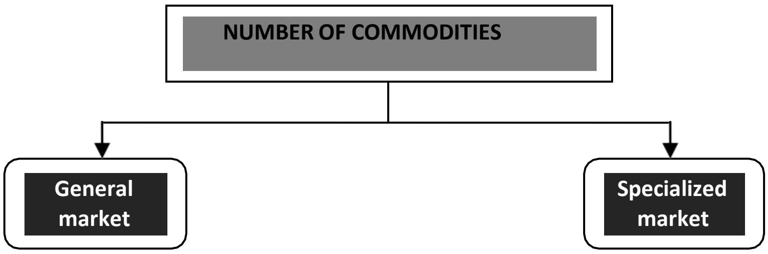
NATURE OF TRANSACTIONS



I. SPOT/CASH MARKET: a market in which goods are paid for immediately aftersale.

II. FORWARD MARKET: Commodities are bought at time„t‟ but the actualexchange takes place at some specific date in future, i.e., „t+1‟.

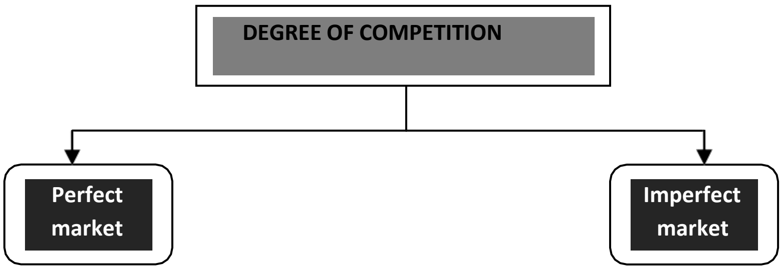
NUMBER OF COMMODITIES



I. GENERAL MARKET: All types of commodities such as foodgrains, oilseeds, fibre crops, etc are bought sold.

II. SPECIALIZED MARKET: transactions take place only in one/twocommodities, e.g., foodgrains market, cotton markets, mango markets.

DEGREE OF COMPETITION

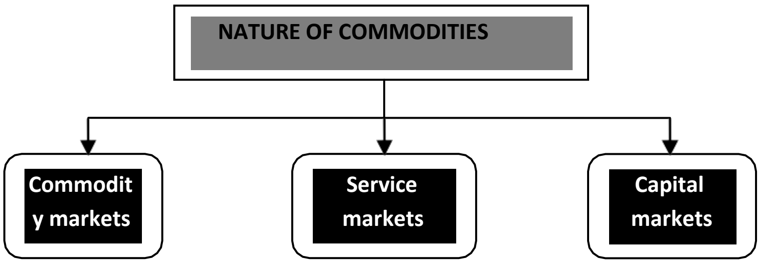


I. PERFECT MARKET: Large number of buyers and sellers.

II. IMPERFECT MARKET: monopoly, duopoly, oligopoly, monopolistic competition. In the last, a large number of sellers deal in heterogeneous and differentiated forms of a commodity.

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

NATURE OF COMMODITIES

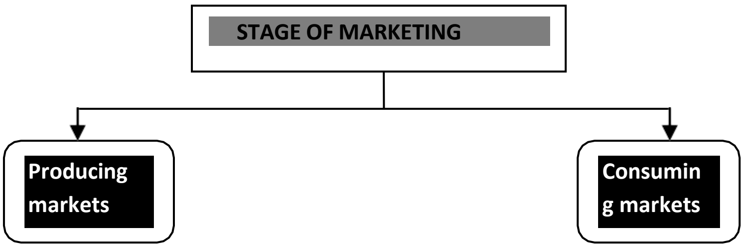


I. COMMODITY MARKETS: deal in goods and raw materials such as wheat, barley, cotton, etc.

II. CAPITAL MARKETS: deal in services such as securities.

III. SERVICE MARKETS: deal in services such as consultancy.

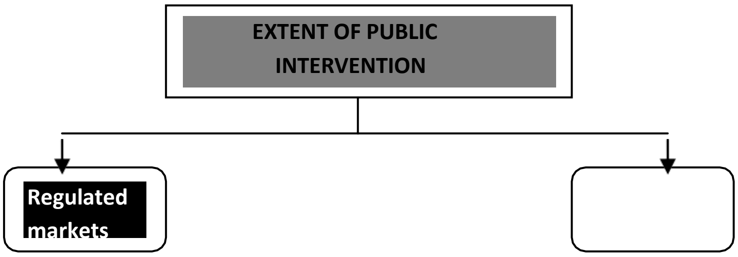
STAGE OF MARKETING



I. PRODUCING MARKETS: markets that mainly collect commodities for future distribution to other markets. Located in producing areas.

II. CONSUMING MARKETS: These collect the produce for final distribution to the consuming population located in areas where production is inadequate or in thickly populated urban areas.

EXTENT OF PUBLIC INTERVENTION



I. REGULATED MARKETS: markets in which business is done in accordance with the rules and regulations framed by a statutory market organization which represents different sections involved in markets.

II. UNREGULATED MARKETS: Business is conducted without any set rules and regulations. Traders frame the rules for the conduct of business and run the market.

A Publication of TRANS Asian Research Journals

TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

CONCLUSION

Regardless of holding a well-organized institutional support to aid farmers with finance, the proportion of banks to villages stands at 1:50. Still at this time, there are about two crore moneylenders in India. The RBI ought to make sure the development of moneylenders as well as obtain useful measures to boost credit amenities in rural India. The Indian agricultural market construction leaves a main space between the actual producer as well as the ultimate buyer. This is one of the major causes for the soaring prices buyers have to compensate for the products as the farmer obtains extremely meager share. Other than efforts are on to reduce this space & reduce the middlemen with the aid of regulated markets as well as marketing co-operatives. Several further methods are too being utilized, such as smallest amount support price & state trading, to make sure sufficient income to producers. Marketing agricultural products could materialize to be effortless; other than is extremely difficult moreover consists of different multifaceted functions. The agricultural condition in India has undergone a speedy modify in the last three decades. Agricultural manufacture has attained realistic development rates. Other than the growth rate not only has to be reduced. Attempts are previously in progress to develop location-specific technologies, shift them to farmers‟ fields as well as guarantee input make available to farmers other than the exact time, place moreover usefulness.

REFERENCES

- Balram Dogra and Karmindar Ghuman(2008): "Rural Maarketing (Concepts and Practices)", Tata McGraw-Hill Publising Company, India, Pg.No.
- Ramkishen Y(2004): "Rural & Agricultural Marketing (Includes Case Studies)", Jaico Publishing Hose, India, Pg.No.147-169.
- Rajagopal(1998): "Rural Marketing (Development, Policy, Planning & Practice)",Rawat Publications, India, Pg.No.5-84.
- T P Gopalaswamy(2005): "Rural Marketing (Environment, Problems and Strategies)", Vikas Publishing House Pvt Ltd. P.g. No. 98-112.
- C.S.G. Krishnama charyulu and Lalitha Ramakrishnan(2006): "Rural Marketing (Text and Cases)", Pearson Publications.
- R.V. Badi and N.V. Badi(2004): "Rural Marketing" Himalaya Publishing House, India, P.g. No. 221-232.

WEBSITES

- www.goole.com www.wikipedia.org

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

IMPACT OF TRAINING ON EMPLOYEE COMMITMENT AND EMPLOYEE TURNOVER: AN OVERVIEW

Dr. Sundram Priyadarshnie*; Ms. Radhika Bhutani**

*Associate Professor,
Bhagwan Parshuram Institute of Technology,
Guru Gobind Singh Indraprastha University Delhi, INDIA

**Bhagwan Parshuram Institute of Technology,
Guru Gobind Singh Indraprastha University Delhi, INDIA

ABSTRACT

The training industry as a whole has shown significant growth through the years. Statistics indicate that investment in training is continuing to grow as more and more companies realize its importance. The State of the Industry Report is ASTD's definitive review of workplace learning and development trends. ASTD estimates that U.S. organizations spent $1,182 per learner on employee learning and development in 2011. As the investment in various training programs continue to rise, it becomes even more imperative for employers. The focus of this paper is to evaluate whether training can lead to an increase in employee commitment and in turn foster employee retention. This paper seeks to move away from the frequently assumed training outcomes and focus more on the relationship of training and employee commitment. The effect of this relationship on employee turnover will also be explored.

KEYWORDS: *Employee commitment, Employee turnover, Strategy, Learning.*

INTRODUCTION

Training can have a considerable influence on company finances as there are several potential training costs that companies may incur. One type of training related cost is direct cost. This may include instructor salary, materials, and follow-up supervision. A second type of training related cost is indirect cost. These costs are related to worker output and productivity during and upon completion of the training.

Along these lines, once a training program is completed, worker productivity is expected to increase. The benefits will be to the company, due to an increase in worker output and productivity, and to the worker, as the increase in output should translate into higher wages and opportunities for career advancement. In general, a company will weigh the costs and returns to training to determine the amount of investment it will incur (Kaufman & Hotchkiss, 2006).

In addition to the direct and indirect costs described above, turnover plays a significant role in the amount of training investment companies will assume. The greater the chance of employee turnover, the less likely a company will invest in it. A company loses all of its investment should an employee terminate the relationship upon completion of training. As a result, employers have very important decisions to make in regards to the level of investment they are willing make in training. Training duration, specificity, relevance, payment options, and training location are all things that employers must consider while developing a training program.

Krueger and Rouse (1998) examined the effect that training and workplace education programs can have on various organizations. The study included an analysis of numerous outcome variables that may be achieved through training. Variables relating to performance, wages, productivity, satisfaction, motivation, and absenteeism were all examined.

The importance of ensuring employee retention following training may lie in the strategic approach that is utilized. Companies can seek to achieve organizational goals through a variety of human resource strategies and approaches. One such approach, a commitment strategy, attempts to develop psychological connections between the company and employee as a means of achieving goals (Arthur, 1994; Scholl, 2003). In an attempt to ensure that the employee remains with the company following training, employers may implement a strategy to training that fosters commitment. Training that attempts to increase employee commitment may serve to counter the numerous direct and indirect costs associated with turnover. Although a commitment strategy can be tied to all company human resource practices; recruitment, selection, performance evaluation, and so on, the focus of this paper will be to determine whether training can lead to an increase in employee commitment and in turn foster employee retention.

LITERATURE REVIEW

Human capital theory provides inside to research on training and turnover. He distinguishes training in two categories 1) specific training 2) general training. Specific training helps to improve skills and abilities that are required to perform better in current organization. Employer should invest in specific training because it will help employees to work efficiently in current apparatus or in culture of current organization. This type of training does not aid in other organization so it will not increasing job opportunities in addition of this employees are unwilling to leave organization. On the other hand employer is also unwilling to fire trained employees due to his skills and abilities require for organizational enhanced performance.

This shows that specific training have strong relationship with employee retention. Learnt skills are vanished when employee leaves the organization, so specific training reduces the chances of expected turnover. General training improves skills and abilities that are equally helpful for all organizations. This type of training is normally in the form of formal education.

There is no relation between general training and turnover. He also argued that employee should pay the cost of general training not the employer as it is beneficial for all organizations. Risk is also associated with general training because other organization may poach trained employees. And employee can take transferable skills with them to other organization (Becker, 1962). Moreover investment in human capital is very perilous because we cannot separate learnt skills from the trainee or individual human resources cannot be bought and sold (Levhari & Weiss, 1974).

But we cannot ignore the importance of training and development, for the reason that it aid employees to be more productive and efficient. Training and development not only enhance efficiency of trained employee but also support other employees because people learn from one another. In organization people work in teams so productivity of one department or person is depend on others performance. Trained human capital can also enhance the efficiency of physical capital e.g. machines (Booth & Snower, 1996).

COMMITMENT AND TURNOVER

Turnover intentions also viewed in the perspective of commitment. Organizational commitment is defined as identification with organization and its goal while wishing to remain member of that organization (Reichers, 1985). Organizational commitment is further divided into three

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

dimensions 1) Affective Commitment, it is a desire or emotional attachment to the organization. 2) Continuous Commitment, it a financial benefits to remain as a member of organization. 3)Normative Commitment, moral obligation to maintain employment with particular organization. Each dimension has different antecedence and consequences on job behaviors (Meyer & Allen, 1991).

A committed employee is one that will remain with the organization. Through the years, numerous research studies have been conducted to determine the accuracy of this statement. In the end many have concluded that committed employees remain with the organization for longer periods of time than those which are less committed. Richard Steers (1977) hypothesized and found true that the more committed an employee is, the less of a desire they have to terminate from the organization. These "highly committed" employees were found to have a higher intent to remain with the company, a stronger desire to attend work, and a more positive attitude about their employment. Steers (1977: 54) concluded that "commitment was significantly and inversely related to employee turnover."

Along these lines, Jeffrey Arthur (1994) conducted an empirical study of two steel "minimills"; one which incorporated a human resource commitment strategy and the other a control strategy. Arthur was able to find many productivity and business advantages to the company that had a commitment strategy. The study found that turnover was twice as high in the company that used a control strategy (x = .07, s.d. = .07) than it was in the company which fostered a commitment approach (x = .03, s.d = .03). This exemplifies the impact that human resource strategy can have on an organization. Job search, retention, employee's desire and intent to leave, and attitude toward the organization can all be improved with a strategy that seeks to enhance employee commitment.

When organizations seek to foster a philosophy of commitment, then the likelihood of an employee searching for employment elsewhere is lowered. In a study of employee mobility, Green, Felsted, Mayhew, and Pack (2000) found that commitment objectives decreased that probability of employees being "more likely to search" from 19 to 10 percent, and increased being in the "less likely to search"category from 15 to 26 percent. Much like the other studies identified above, this study showsthat committed employees are more likely to remain with the organization.

Patrick Owens (2006) had a similar finding in his study of training and organizational outcomes. Although Owens' study centered on the overall impact of training he was able to find a correlation between commitment and turnover. The study found that employees thathad a higher level of commitment also had a higher level of "turnover cognitions". A higher score in "turnover cognitions" indicated that the employee had a more favorable attitude and was less likely to consider turnover. By applying the results of his survey to independent t- tests, Owens was able to determine that trained employees had a mean turnover cognition of 31.15 and organizational commitment of 83.54. In comparison, the untrained employees hada mean of 28.94 for turnover and 75.87 for commitment. These statistics are relevant as they are representative of the inverse relationship of commitment and turnover. By separating the trained and untrained employees, Owens was able to show that the more committed employees are, the less likely they will consider turnover

The aforementioned studies are representative of much of the research available relating to commitment and turnover. Commitment has a significant and positive impact on job performance and on workforce retention. The underlying belief is that a more committed employee will perform better at their job (Walton, 1985). The likely outcome of employees

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

performing better and being more productive is an overall improvement in workforce stability. Whether employee commitment is enhanced through training, compensation, evaluation, or any other combination of human resource practices, research typically finds that a committed individual is one that remains with the company

WHAT ARE THE DETERMINANTS OF EMPLOYEE COMMITMENT?

There is a great deal of literature which seeks to define and identify the specific characteristics of commitment. Scholars have offered many differing views and theories regarding employee commitment. Even with these differing views it is possible to find some consistent themes. In general there is significant supporting research that indicates that commitment is made up of investments, reciprocity, social identity (identification), and lack of alternatives. Investment states that it is an employee's "investment" and anticipation of a future "pay off" that serves to tie them closer to the company. Reciprocity, in contrast, indicates that it is the employee's obligation to "pay off" their debt to the company that will lead to greater commitment. Identification specifies that commitment can grow as a result of an employee's social identity becoming increasingly embedded in their employment. Finally, the lack of alternatives element states that the more specific an employee's skills become to a particular organization the less likely they will leave (Scholl, 1981). Although each of the four mechanisms may serve to enhance employee commitment they may do so in varying degrees. As a result, the more prevalent each element becomes the more likely commitment will grow.

- **INVESTMENTS**

An employee that is invested in the organization is an employee that is going to remain with the organization. Howard Becker (1960) argued just this in his paper that analyzed the various concepts of commitment. Becker stated that employees can invest in a multitude of practices that can be perceived as "side bets". Examples of "side bets" may include attending training outside of work time, participation in an apprenticeship program, or attaining a high degree of seniority. "Side bets" can be centered on time, effort, pay, benefits, and so on. The greater the investment in any of these "side bets", the more likely the employee will remain with an organization. Due to the perceived cost of leaving being too high, side bets can serve to actually increase the employee's intent to remain (Liou & Nyhan, 1994).

Becker states that in order for commitment to be achieved through a "side bet" several elements must exist. One such element is that the individual is aware that a "side bet" was made. Another is that the choices that were made regarding a particular decision have an effect on other potential decisions.

The "side bet" philosophy states that an investment is made today with the expectation that the benefit will be achieved at some future point. Some can view this as an employee "paying their dues" today in order to achieve success in the future (Scholl, 1981). Becker (1960) provides an example of his "side bet" theory which relates to lower-class school teachers. The teachers "side bet" was that of time. When the time arose in which these lower-class teachers were eligible for transfer to a more affluent school, many denied the transfer. The denial was because the teachers adjusted their approach and teaching style to that of the lower-class.

Discipline techniques, addressing issues with parents, as well as many other issues, would have resulted in the teachers having to drastically change their styles and approaches. These changes were found to be overly time consuming and radical. As a result, the transfers were denied. Due to the "side bet" of time, the teachers became invested and committed to working with the

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

lower-class population. The expenditure of time by the teachers actually tied them to the lower-class students even though more desirable teaching positions were available. In spite of the lowered expectations, the teacher's tenure resulted in them becoming "invested" to a particular organization (Scholl, 1981).

HYPOTHESIS 1: Training that leads to an increase in perceived employee investment will increase employee commitment.

- **RECIPROCITY**

Barrett and O'Connell (2001) argue that employees may view some human resource practices as a "gift". Training is one such practice that employees may view as a "gift". The result of this "gift" is that employees exert more effort, become more productive, and have a greater sense of debt to the organization. The "gift" also hasthe potential to make employees feel like "insiders" into the organization. An "insider" is likely to be more committed and devoted to the company. The idea of "gift" and "insider" parallels closely to the concept of reciprocity. The premise behindreciprocity is that an employee will help the organization, because the organization helped to employee. The saying "don't bite the hand that feeds you**"** seems to correlate to reciprocity. This holds that employees should not only help the company but should also not hurt it because it was the company that helped the employee (Scholl, 1981). As a result, the "gift" that an employee receives may actually serve to commit them to the organization. Employees in the workforce have specific desires and expectations. When an organization seeks to meet and exceed these desires and expectations through reciprocity, then the likelihood of improving commitment is enhanced (Steers, 1977).

HYPOTHESIS 2: Training that builds a sense of debt to the organization will lead to an increase in commitment.

- **SOCIAL IDENTITY**

In terms of commitment, social identity and identification are analogous to one another. The more an employee is able to identify themselves to the organization, the more likely they will be committed. The stronger the identification to an organization and its goals, the stronger the commitment will be. The relative strength of identification, the belief in goals and values, and the willingness to work on behalf of the company are all factors that tie social identity to commitment (Blau & Boal, 1987; Steers, 1977). On an informal level, social identity can be observed when two long lost friends meet. The first question that typically arises is "where do you work?" Within this commonly asked question one is able to determine that people derive a great deal of their identity from employment. The answer to the question carries withit a great deal regarding ones status. As a result, the more employment becomes connected and enmeshed in their social identity, the more committed the employee becomes. When a person's social identity and employment begins to become embedded with one another, change is much more difficult (Scholl, 1981).

HYPOTHESIS 3: Training that seeks to increase an employee's identification with the company is likely to increase commitment.

- **LACK OF ALTERNATIVES**

This element of employee commitment can be best described by the earlier school teacher

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

example. The investment of time was a deciding factor in the school teacher's decision to remain with the lower-class students even though more desirable positions became available. In addition to the "side bet" of time that developed, the experience of the teachers also served to limit their alternative employment options. The teacher's knowledge led to the development of strategies and skills that would have been objectionable to middle class parents. As a result, the teachers conformed to a low level teaching standard that would be below that of the middle class students (Becker, 1960). The years of teaching the lower class students actually served to limit future employment options. Whether it is through training, job evaluation, job design, or any other human resource practice, it is generally argued that the more specific an employee's skills the less likely they will leave the organization. This is exemplified in the above school teacher example. Although there may be several alternative employment options available to an employee, "there may be no better than the present one, producing the perception that there are no alternative opportunities" (Scholl, 1981: 595). As a result the lack of alternatives will likely lead to the development of a more committed employee.

HYPOTHESIS 4: Training that serves to limit alternative employment options will lead to an increase in commitment.

ANALYSIS OF TRAINING IMPACT ON THE ELEMENTS OF EMPLOYEE COMMITMENT

There is a significant body of scholarly literature relating to the impact of training on organizational outcomes. The following sections will attempt to add to this literature by examining the effect that training has on employee commitment. This will be achieved by analyzing the four hypotheses discussed above in relation to the various empirical research and literature that is available. By providing an analysis of the empirical literature as it relates to the four hypotheses, one will be able to gain greater insight into the impact that training has on employee commitment.

TRAINING AND EMPLOYEE INVESTMENT

As discussed earlier in this paper, an investment is a contribution that an employee makes today in anticipation that the benefit and "pay off" will be achieved in the future. Howard Becker (1960) identified these investments as "side bets". In many aspects, training is one such "side bet" that may increase employee investment and commitment. The question is how does training achieve this? Gary Becker (1993) sought to better understand the relationship between the costs and returns to training by identifying two mutually exclusive forms of training – general training and specific training. General training is training that provides the worker with skill development not only applicable at the present employer, but also at other firms throughout the labor market. Some examples of general training programs are apprenticeship trainings, general computer training, and learning surgical techniques that could be used in other hospitals. Educational reimbursement is also an example of general training, as the skills acquired can be of use to many different employers (Kaufman and Hotchkiss, 2006).

Gary Becker's model suggests that because general training provides skill development that can be used at other companies, the employer will not invest in it. In contrast, specific on-the-job training is training that increases the workers productivity and output only at the company that provides it. The training is "specific" to that particular company only. Examples of specific training may include learning to drive a tank or operating machinery that is company specific.

Specific on-the-job training also differs from general training in that it is typically the company and not the individual worker that bears the cost of the training. The thought is that because training is specific to the individual company and nontransferable, the productivityof the worker increases for that particular company, but would remain the same for any other organization within the labor market. As a result, it is unlikely that specific training would result in turnover. Gary Becker's argument essentially states that the more specific the training the less likely turnover will occur.

Another example that expands upon Becker's model is the blending of general and specific skills. Becker's model argues that general training would lead to an increase in turnover and that companies have little reason to invest in it. Several studies have proven that companies do invest in a blended form of general-specific training, many times without even realizing it. Acemoglu and Pischke (1999) argue that general and specific skills are complementary to one another. They indicate that organizations indirectly invest in general skills while providing skills that are presumed to be "firm-specific". By researching the data from the Employer Opportunity Pilot Project and the National Longitudinal Survey of Youth, Lowenstein and Speltzer (1999) found that 63 percent of employees that received training reported that the majority of the skills obtained were transferable to other organizations. A third study determined that the majority of training programs result in generating skills that are transferable to other organizations. Over 90% of the employees believed that the skills obtained were portable outside the company. In addition, employers paid for some piece of the training in over 84% of the cases (Green et al., 2000). The studies provide affirmation thatmost training entails a greater general component than many believe.

Regardless of the specificity of the training, the time and effort that an employee puts forth inany training program can lead to a more committed worker. In contrast to Becker's belief that companies have little reason to invest in general training, from a commitment perspective one is able to ascertain several benefits to doing so. As stated throughout this section, the time, energy, and effort, that employees display in any type of training can result in a more invested and committed employee. Training, whether it is general or specific, can be viewed by the employee as a current investment that may offer a greater "pay off" at a later date. This increased investment on the part of the employee ties them closer to the organization (Scholl, 1981).

TRAINING AND RECIPROCITY

Reciprocity essentially states that an employee will help the company because the company helped them. This parallels the notion of the employee having a "sense of debt" toward the organization. Research on this element of commitment indicates that training can play an integral role in building a sense of debt to the company. Training that achieves reciprocity in the employee will foster an individual's commitment to the organization.

Many scholars agree that organizations that train their employees consistently have better outcomes than those that do not. When business environments change quickly and abruptly, itis typically the companies with the best trained employees that adapt and adjust most efficiently. Glance, Hogg, and Huberman (1997) determined these statements to be accurate in their study that looked at training and turnover from the perspective of evolving organizations. The researchers affirmed that training encourages "spontaneous cooperation" in many large companies.

These fast paced, ever-changing industries need to retain employees in order to achieve company goals and gain a competitive advantage. As the study found, organizational training can offer these employees an opportunity they may have not been able to achieve elsewhere. This translates to the employee feeling a sense of debt to the company and desiring to "spontaneously cooperate" as a means of repaying the reward that they received.

Ronald Burke (1995) found that employees that participated in the most number of training programs and rated the trainings they attended as most relevant, viewed the organization as being more supportive, looked at the company more favorably, and had less of an intent to quit. One could argue that training was able to enhance the employee's sense of debt towards the organization. The result is a more committed employee that has a greater desire to remain. In this example, reciprocity holds that the employee received a "benefit" of training from the company and will attempt to repay it in the future. In essence, the employee will need to remain committed to the organization until the "benefit" is paid off (Scholl, 1981).

TRAINING AND SOCIAL IDENTITY

There is a significant body of literature that suggests that an individual's identity is closely related to their employment. In turn, training that serve's to increase an employee's identification with the organization is likely to produce a more committed worker. Upon hire, training is typically one of the first human resource practices that organizations offer to their new employees. Training plays an integral role in the socialization process for many employees. Employees enter the employment relationship with many expectations and desires. When these expectations and desires are fulfilled, then the employee is able to better identify with the company. The result is an employee that becomes more committed. In turn, when a training program fails to meet these expectations, then there is usually a negative attitude change. These unmet expectations can lead to a decrease in commitment and a greater likelihood of turnover (Tannenbaum, Mathieu, Salas, and Cannon-Bowers, 1991).

A study of several British companies found that when training sought to enhance and develop a "culture of identification" between the organization and the employee, the intention to search for another job decreased substantially (Green et al., 2000). This can also be seen when one looks at the companies in Japan. Japanese companies prefer to train employees internally in the form of on-the-job training programs. A main reason for this is that outside schooling is thought to reduce commitment. Internal on-the job training in Japan has a "commitment maximizing" logic as it promotes a greater level of socialization. This company specific socialization encourages employees to identify solely with the organization. The internal training provided in Japan is said to increase identification and boost attachment. Theresult is an employee that is more committed to the organization (Lincoln and Kalleberg, 1996).

Training that attempts to increase identification with the organization is greatly enhanced when used within a strategic approach to building commitment.

TRAINING AND LACK OF ALTERNATIVES

Training that serves to limit alternative employment options can be best described by the work of Gary Becker. Becker's study of human capital in relation to general and specific training was discussed in earlier sections of this paper. Becker's model and ideas related to training has been widely researched and debated among scholars. Becker (1993) argues that general training, due to the portability of skills acquired leads to an increase in turnover; while specific training, due to the non-transferability of skills acquired leads to less of an impact on turnover. Holding aside

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

the argument of the blending of general and specific training discussed previously, Becker's theory appears to directly apply to the role of training in limiting alternative employment options.

There are many scholarly journals that have defended Becker's position that specific training leads to a decrease in turnover. Lisa Lynch (1991) found that young workers that participated in formal and specific on-the-job training were much less likely to terminate the employment relationship than workers that received off-the-job generalized training. Several studies examined the "cherry-picking" phenomenon where companies wait until employees are trained by other organizations and once trained the employees are hired away to other companies. It has been noted that organizations often prefer to "steal" these newly trained employees because they will produce at a higher level (Glance et al., 1997).

The company that pays for the training though is the one that loses its entire investment should the employee be "stolen". In the end, it is non-portable specific training that is much more attractive to organizations as it eliminates the chance that the trained employee will be "hired away" (Lynch & Black, 1998). This parallels the reasoning behind Becker's argument that organizations have little incentive to pay for general training. Numerous other studies also support Becker's human capital model of training. Jeffrey Groen (2006) states that companies in small markets have a greater incentive to invest in training that is company specific. Groen argues that as the market size expands training has a tendency to become more general and the likelihood of turnover begins to increase.

Frazis and Speltzer (2005) through an analysis of the 1979 National Longitudinal Survey of Youth and various scholarly journals also found support for Becker's theory. The researchers found that employees that receive specific training have a lower probability of quitting than employees who do not. The research shows significant support for Becker's theory of human capital. Many of the studies were highlighted above as they lend credence to the effect that training can have on limiting an employee's alternatives. All the studies conclude as Becker did, that the more specific the training the less likely turnover will occur. Specific training leads to the development of skills that are non-portable and highly specific to the training organization. As the skills attained become more specific the likelihood that the employee will terminate the employment relationship decreases. The specificity of the training leads to an employee having less employment options.

DISCUSSION AND CONCLUSION

Commitment within the workplace typically results from the interaction and the relationship that an employee has with an organization (Scholl, 2003). Along these lines, Richard Walton (1985) looked at the establishment of commitment in an organization within a very broad framework. "Stretching objectives", providing assurances to employees, encouraging employees to have a "voice", and compensation policies are a few of the strategies that organizations must incorporate into a commitment-based approach. Training is one of several human resource practices that can have a considerable impact on employee commitment. As stated throughout this paper, training that seeks to improve employee investment, increase reciprocity, helps the employee identify with the organization, and serves to limit alternative employment options will enhance the employee's commitment to the company. The result of this will be an organization that is better able to retain its workforce. Patrick Owens' (2006) study on the relationship between training and organizational outcomes found just that to be true. The Owens study hypothesized that employee's in training programs will report higher levels of commitment and will be less likely to consider turnover. The research affirmed the hypothesis that training has a positive impact on commitment and turnover cognitions. Many other scholars and practitioners in addition to Owens have had similar research findings.

Scholars and practitioners also agree that although training can positively impact commitment, simply providing training to employees is not enough. The benefits of training will be achieved only to the extent that the employees accept it and contribute to it. As a result, an organization needs to seriously determine what it is looking to achieve within the training program as well as the impact it will have on employee effort, commitment, and turnover (Glance et al., 1997).

A human resource approach that seeks to "bundle" commitment policies, such as linking training to employee appraisal and compensation plans, have shown to further enhance employee commitment (Green et al., 2000).

Management behavior was one of the most notable determinants of successful training programs. Employee commitment was found to be higher in organizations where management allowed access to and candidly supported employee training (Heyes and Stuart, 1996). The underlying philosophy is the need for management to acknowledge and openly accept the legitimacy of the commitment-based strategy (Walton, 1985). The relevancy of training also plays a role in establishing employee commitment. Employees enter into training programs with specific expectations and needs. The result of training programs that do not meet the expectations and needs of participants may be lower commitment, negative attitude change, and an increase in turnover. One study found that training participants that received "realistic notices" and accurate training information prior to training reported better outcomes than those that did not receive any information regarding the training process. The participants that were provided with pre-training information viewed that training as more relevant and entered into the training with accurate expectations (Tannenbaum et al, 1991). In addition, the employees that viewed training as the "most relevant" to their current jobs were able to attain more positive commitment outcomes and had less of an intent to quit (Burke, 1995). In order to use training as a mechanism to build commitment, organizations need to ensure that trainings are relevant, are communicated effectively, and are able to meet the expectations of the employees participating.

Along these lines many practitioners have had significant difficulty distinguishing between purely specific and purely general training. Much of the research has shown that general and specific training are often enmeshed in one another. Understanding this would lend credence to the opinion that organizations invest, knowingly or unknowingly, in some level of general training. Research has found that when organizations invest in general training and reciprocity grows there is an increase in employee commitment. Employees view this type of investment as a "gift". As a result of the "gift", they begin to perceive themselves as "insiders" into the company. In turn a company's investment in general training can ultimately increase commitment and decrease turnover (Barrett and O'Connell, 2001). When training is tied into other human resource commitment practices, company funded general training will lead to an increase in commitment (Green et al., 2000).

At the end, we will like to conclude that training is a tool that can assist organizations in building a more committed and productive workforce. By helping to establish employee investment, reciprocity, identification, and by limiting alternative employment options, an effective training program can lead to greater commitment and less employee turnover. The result is an

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

organization that is more productive and professional. Although training can playa major role in this process, organizations need to look at additional work force strategies andpractices that can enhance commitment. Training alone may offer many benefits but a much greater impact will be found when using a strategy to human resources that entails many different organizational commitment practices and policies. Organizations need to strategically and methodically develop human resource practices that are designed to fully achieve commitment (Heyes et al., 1996). Based on the principles identified throughout this paper, an effective training program is one such organizational practice that can lead to greater employee commitment and a more stable workforce.

REFERENCES

1. American Society for Training and Development: ATSD State of the Industry Report, Executive Summary http://www.astd.org/astd/research/research_reports,2011

2. Arthur, J. B. 1994. Effects of human resource systems on manufacturing performance and turnover. The Academy of Manufacturing Performance, 37(3): 670-687.

3. Barrett, A., & O'Connell, P. J. 2001. Does training generally work? The returns to in company training. Industrial and Labor Relations Review, 54(3): 647-662.

4. Bartlett, K. 2001. The relationship between training and organizational commitment: A study in the health care field. Human Resource Development Quarterly, 12(4): 335-352.

5. Becker, G. S. 1993. Human capital: A theoretical and empirical analysis with special reference to education (3rd ed.). Chicago, IL: University of Chicago Press.

6. Becker, H. S. 1960. Notes on the concept of commitment. The American Journal of Sociology, 66(1): 32-40.

7. Blau, G. J., & Boal, K. B. 1987. Conceptualizing how job involvement and organizational commitment affect turnover and absenteeism. The Academy of Management Review, 12(2): 288-300.

8. Burke, R. J. 1995. Benefits of formal training courses within a professional services firm. TheJournal of Management Development, 14(3): 3-13.

9. Colarelli, S. M., & Montei, M. S. 1996. Some contextual influences on training utilization. The Journal of Applied Behavioral Science, 32(3): 306-322.

10. Eck, A. 1993. Job-related education and training: their impact on earnings. Monthly Labor Review, 116(10): 21-38.

11. Frazis, H., Gittleman, M., Horrigan, M., & Joyce, M. 1998. Results from the 1995 Survey of Employer Provided Training. Monthly Labor Review, 121(6): 3-13.

12. Frazis, H. J., and Speltzer, J. R. 2005. Worker training:What we've learned from the NLSY79. Monthly Labor Review, 128(2): 48-58.

13. Glance, N.S., Hogg, T., and Huberman, B.A. 1997. Training and turnover in the evolution oforganizations. Organization Science, 8(1): 84-96.

14. Green, F., Felsted, A., Mayhew, K., & Pack, A. 2000. The impact of training on labour mobility: Individual and firm-level evidence from Britain. British Journal of Industrial Relations, 38(2): 261-275.

15. Groen, J. A. 2006. Occupation-specific human capital and local labour markets. Oxford Economic Papers, 58: 722-741.

16. Heyes, J., & Stuart, M. 1996. Does training matter? Employee experiences and attitudes. Human Resource Management Journal, 6(3): 7-21.

17. Kaufman, B., & Hotchkiss, J. 2006. Economics of Labor Markets (7th ed.). Mason, OH: Thomson South-Western.

18. Krueger, A., and Rouse, C. 1998. The effect of workplace education on earnings, turnover, and job performance. Journal of Labor Economics, 16(1): 61-94.

19. Lincoln, J. R., & Kalleberg, A. L. 1996. Commitment, quits, and work organization in Japanese and U.S. plants. Industrial and Labor Relations Review, 50(1): 39-59.

20. Liou, K. T., & Nyhan, R. C. 1994. Dimensions of organizational commitment in the public sector: An empirical assessment. Public Administration Quarterly, 18(1): 99-113.

21. Loewenstein, M. A., & Speltzer, J. R. 1999. General and specific training: Evidence and implication. The Journal of Human Resources, 34(4): 710-733.

22. Lynch, L. M. 1991. The role of off-the-job vs. on-the-job training for the mobility of women workers. American Economic Review, 81(2): 151-156.

23. Lynch, L. M., & Black, S. E. 1998. Beyond the incidence of employer-provided training. Industrial and Labor Relations Review, 52(1): 64-81.

24. Owan, H. 2004. Promotion, turnover, earnings, and firm-sponsored training. Journal of LaborEconomics, 22(4): 955-978.

25. Owens, P. L. 2006. One more reason not to cut your training budget: The relationship between training and organizational outcomes. Public Personnel Management, 35(2): 163-171.

26. Scholl, R. W. 1981. Differentiating organizational commitment from expectancy as a motivating force. Academy of Management Review, 6(4): 589-599.

27. Scholl, R.W. (2003)

28. http://www.uri.edu/research/lrc/scholl/Notes/Commitment_Control.html accessed January 2007.

29. Steers, R. M. 1977. Antecedents and outcomes of organizational commitment. AdministrativeScience Quarterly, 22(1): 46-56.

30. Tannenbaum, S. I., Mathieu, J. E., Salas, E., &Cannon-Bowers, J. A. 1991. Meeting trainees' expectations: The influence of training fulfillment on the development of commitment, self- efficacy, and motivation. Journal of Applied Psychology, 76(6): 759-769.

31. Walton, R. E. 1985. From control to commitment in the workplace. Harvard Business Review, 63(2): 77-84.

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

A STUDY ON PASSENGERS OPINION TOWARDS SEMI-LOWFLOOR BUS IN COIMBATORE CITY

S. Kalpana*

*Assistant Professor,
PSG College of Arts and Science,Coimbatore.

INTRODUCTION

A bus is a road vehicle designed to carry passengers. The first powered by internal combustion engine were used in 1985 and this is still the most common power source historically, the types and features of buses have developed according to local needs. Buses were fitted with technology appropriate to the local climate and the passenger needs. The bus types in use around the world where there was little mass production were often sourced second hand from other countries. On September 22, 2012 semi low floor buses provided under the Jawaharlal Nehru Urban Renewal Mission (JNURM) would be entrusted to private operators and they would be asked to pay the cost of the buses in installment basis before they are allowed to claim themselves as lawful owners of the buses. An official source informed that the cost of one semi low floor bus is 29.50 lakhs.

STATEMENT OF THE PROBLEM

In India semi low floor buses are in number at present. As a researcher I am decided to collect the opinion from the passengers about the semi low floor bus.

OBJECTIVES OF THE STUDY

- To know the opinion of the passengers towards semi low floor buses
- To know the satisfaction level of the passengers towards semi low floor buses
- To know the problems faced by the respondents towards semi low floor buses
- To get the valuable suggestion from the passengers

RESEARCH METHODOLOGY

- **AREA OF THE STUDY**: Now a days service to consumers is an important issue. SoI have taken the opinion of passengers towards semi-low floor buses in Coimbatore city.
- **SOURCE OF DATA:** Both primary and secondary data have been used. The questionnaire have been used for collecting the data from the customers.
- **SAMPLING DESIGN:** 200 respondents have been selected for collecting the primary data. Random sampling method has been used for selecting the respondents.
- **TOOLS FOR ANALYSIS:** Percentage analysis have been used in the study for analysing the collected information.

LIMITATIONS OF THE STUDY

- The area of the study is limited to coimbatore city alone. Hence the results maynot be true for other geographical locations.

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

- Validity and reliability of the data depends on the truthfulness of the responsesfrom the passengers
- Time at the disposal of the researcher is limited
- The size of the population is restricted to 200 passengers and hence it may notrepresent the attitude of the entire passengers of semi low floor bus.

ANALYSIS AND INTERPRETATIONPERCENTAGE ANALYSIS

TABLE NO.1 GENDER OF THE RESPONDENTS

S.NO	GENDER	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Male	116	58
2.	Female	84	42
	Total	200	100

INTERPRETATION: The above table shows that majority of 58% of the respondents are male.

TABLE NO.2 AGE GROUP OF THE RESPONDENTS

S.NO	AGE GROUP	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Below 30 years	146	73
2.	30 years -40 years	35	17.5
3.	40 years – 50 years	14	7
4.	50 years – 60 years	3	1.5
5.	Above 60 years	2	1
	Total	200	100

INTERPRETATION: The above table shows that majority of 73% of the respondents are under the age group of below 30 years

TABLE NO.3 MARITAL STATUS

S.NO.	MARITAL STATUS	NUMBER OF RESPPONDENTS	PERCENTAGE
1.	MARRIED	86	43
2.	UNMARRIED	114	57

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

	TOTAL	200	100

INTERPRETATION: From the above table it is clear that majority of 57% of the respondents are married

TABLE NO.4 EDUCATIONAL QUALIFICATION

S.NO.	EDUCATIONAL QUALIFICATION	NUMBER OF RESPONDENTS	PERCENTAGE
1.	No formal education	22	11
2.	Upto school level	42	24
3.	Upto undergraduation	100	50
4.	Upto post graduation	35	17.5
5.	Others	1	0.5
	Total	200	100

INTERPRETATION: The above table shows that majority 50% of the respondents are having the educational qualification upto under graduation

TABLE NO. 5 FAMILY MONTHLY INCOME

S.NO.	FAMILY MONTHLY INCOME	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Below 10,000	54	27
2.	10,000-15,000	45	22.5
3.	15,000-20,000	42	21
4.	Above 20,000	59	29.5
	Total	200	100

INTERPRETATION: The above table shows that majority 29.5% of the respondents families monthly income are above 20,000.

A Publication of TRANS Asian Research Journals
TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

TABLE NO.6 REASON FOR TRAVELLING BY BUS

S.NO.	REASON	NUMBER OF REPONDENTS	PERCENTAGE
1.	School	13	6.5
2.	College	47	23.5
3.	Work	72	36
4.	Shopping	57	28.5
5.	Others	11	5.5
	TOTAL	200	100

INTERPRETATION: The above table shows that it is clear that majority 36% of the respondents are travelling through the bus for the purpose of reaching their work place.

TABLE NO.7 OPINION TOWARDS SEMI-LOW FLOOR BUS

S.NO.	OPINION	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Very Good	22	11
2.	Good	72	36
3.	Moderate	66	33
4.	Poor	31	15.5
5.	Very Poor	9	4.5
	Total	200	100

INTERPRETATION: From the above table it is found that majority 36% of the respondents opinion towards semi low floor bus if good.

A Publication of TRANS Asian Research Journals TRANS Asian Journal of Marketing & Management Research
Vol.2 Issue 6, June 2013, ISSN 2279-0667

TABLE NO.8 OPINION REGARDING THE SERVICE PROVIDED IN SEMI LOW FLOOR BUS

S.NO.	OPINION	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Very Good	25	12.5
2.	Good	77	38.5
3.	Moderate	68	34
4.	Poor	24	12
5.	Very Poor	6	3
	Total	200	100

INTERPRETATION: From the above table majority 38.5% of the respondents opinion regarding the service is good.

TABLE NO.9 OPINION REGARDING SEMI LOW FLOOR BUS FARE

S.NO.	RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Reasonable	80	40
2.	Un reasonable	120	60
	TOTAL	200	100

INTERPRETATION: From the above table it is found that majority 60% of the respondents feel that the semi low floor bus rate is reasonable as it is having comfortable seats.

TABLE NO.10 LEVEL OF SATISFACTION REGARDING FACILITIES

S.NO.	LEVEL	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Satisfied	110	55
2.	Not satisfied	90	45
3.	Total	200	100

INTERPRETATION: From the above table it is clear that majority 55% of the respondents are satisfied with the facilities available in semi low floor buses.

TABLE NO.11 PROBLEMS FACED BY THE RESPONDENTS

S.NO.	RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
1.	Yes	87	43.5
2.	No	133	66.5
	Total	200	100

INTERPRETATION: From the table it is clear that majority 66.5% of the respondents have not faced problem regarding semi low floor buses. But some respondents have faced problems because of high fare.

SUGGETIONS

- It is advisable that the government should reduce the semi low floor bus fare.
- Implementation of more technologies in semi low floor bus is required.
- More number of asemi low floor bus should be implemented in Coimbatore city to avoidthe rush.
- The number of seatings and standings should be as per mentioned in the bus created bythe government.
- The bus fare should be listed as per the route and should be maintained properly.

CONCLUSION

Due to price fluctuation there is a dramatic change in the level of price so it is better to have a normal rate of bus fare always. Government has to introduce frequent buses in order to reduce the rush and facilities equal to bus fare which help the lower middle class people. The responding attitude of the conductors must be polite towards passengers and particularly to the aged people and physically challenged people.

BIBLIOGRAPHYWEBSITES

- www.times of india.com
- www.semi lowfloorbuses.tamilnadu.comwww.TNSTC.com
- www.TNSTC.com
- www.Coimbatore road transport.com

BOOKS

- Beri G.C.Marketing Research,1989,Tata Mc.Graw Hill Publication

- Kothari CR,Research Methodology,1991,Wiley Easternltd publication, New Delhi.
- Philip Kotler, Principles of Management, 2005, Prentice Hall,11th edition.

JOB SATISFACTION AMONG COLLEGE TEACHERS:A STUDY ON GOVERNMENT COLLEGES IN KERALA

Nisamudheen. T*

*Ph.D Research Scholar (JRF), Department of Commerce,
Bharathiar University, Coimbatore.

ABSTRACT

College Teachers are the most important group of professionals for our nation's future. Therefore, it is astonishing to know that even today many of the college teachers are dissatisfied with their jobs. Job satisfaction among college teachers is good not only for themselves but society as a whole. It increases productivity and classroom performance in the college. Teachers are the source of guidance in all the crucial steps in the academic life of the students. When the teachers are satisfied in their job at that time only they have interested to teach students with efficiently and effectively. This study was undertaken to identify the factors which impact the level of satisfaction of college teachers in Kerala. Mainly there are three objectives are involved in this study. The data used in this paper is primary in nature and collected through personal interviews in the form of questionnaire from a sample of 80 college teachers selected from the five Government Colleges of Kerala. The tools used for this study are percentage analysis and coefficient of correlation. Research shows that female college teachers are more satisfied with their job than male teachers.

KEYWORDS: *College teachers, government colleges, job satisfaction, job security, performance.*

INTRODUCTION

Teachers are the pillars of society, who help students to grow to shoulder the responsibility of taking their nation ahead of others. They desire security, recognition, new experience and independence. When these needs are not fulfilled they become tense, dissatisfaction among workers is undesirable and dangerous in any profession. Job is not only a main source of income but also an important component of life. Work takes away a large part of worker's day and also contributes to one's social standing. Because of workers central role in many people's life, satisfaction with one's job is an important component in overall wellbeing.

According to Robbins and Sanghi (2006) "Job satisfaction is collection of feelings that an individual holds toward his or her job." The same was contributed by Masud Ibn Rahman (2008) "Job satisfaction is defined as a general attitude toward one's job. It is in regard to one's feelings or state–of-mind regarding the nature of their work." Again Mobey and Lockey (1970) expressed as an opinion that "Job satisfaction and dissatisfaction are function of the perceived relationship between what one expects and obtains from one's job and how much importance or value one attributes to it."

In this global world, job satisfaction has been an important issue. It is very crucial to the long-term growth of any educational system around the world. Job satisfaction in this context is the ability of the teaching job to meet teachers' needs and improve their teaching performance.

Knowledge, skills and competencies occur when one feels satisfied in one's behavior. Therefore, satisfaction in needed in the behavior of a college teacher if he/she has to perform productive activities in the college.

STATEMENT OF THE PROBLEM

Teacher's job satisfaction is one of the key factors in institutional dynamics and generally considered to be the primary dependent variable in terms of which effectiveness of an organization's human resource is evaluated. Job satisfaction of teachers is essential because the future of each student is in the hand of a teacher .When the teacher is satisfied in their job at that time only they have interested to teach students with efficiently and effectively.

College Teachers are arguably the most important group of professionals for our nation's future. Therefore, it is disturbing to find that many of today's teachers in higher education are dissatisfied with their jobs. Job satisfaction is good not only for employees but society as a whole. It increases productivity and classroom performance in the college. These aspects are important in higher education in India. The government of India is highly concerned to provide quality education at college level. But without job satisfaction among the behavior of the college teachers, the objective of providing quality education would not be materialized. Therefore, job satisfaction is needed among college teachers to promote quality education.

SIGNIFICANCE OT THRE STUDY

Improving educational performance ranks high on the national agenda with educators and policy makers focusing on testing accountability, curriculum reform, teacher quality and concerns. A high quality teaching staff is the cornerstone of a successful system .Attracting and retaining high quality teacher is thus a primary requirement for an educational institution. For the development of quality teachers, one has to understand factors associated with it. Job satisfaction is one of those important factors.

OBJECTIVES OF THE STUDY

- To understand the various factors associated with the job satisfaction of Collegeteachers.
- To find out whether there is any relationship of job satisfaction between male andfemale teachers.
- To find out the relationship between years of service and job satisfaction ofCollege Teachers.

SCOPE OF THE STUDY

The scope of the study is limited to Kerala state. The sample size of the survey is 80.The objectives are fixed based on the support of review available and analysis that has been made. In short the study has been conducted within the stipulated framework.

RESEARCH METHODOLOGY

The type of Research Method is adopted was descriptive research. . Both primary and secondary data are collected for the completion of this project. Primary data are collected using questionnaires and direct interview. Questionnaires are circulated among the five Government Colleges in Kerala. The sample size of the survey is 80. The study has taken a period of one year i.e., 2011-2012

LIMITATIONS OF THE STUDY

- The study is limited only to Kerala, which may fail to give a correct picture of thestudy.
- The researcher faces some difficulty due to the lack of co-operation from some respondents.
- The bias of respondents cannot be completely ruled out.

ANALYSIS AND DISCUSSION

The number of teachers surveyed is 80. The questionnaire prepared on the basis of various factors which influence the satisfaction of the customers. The response of Government college teachers has given in tables. .

GENDER CLASSIFICATION OF RESPONDENTS

TABLE 1 GENDER CLASSIFICATIONS

GENDER	NO OF RESPONDENTS	PERCENTAGE
MALE	50	62.5
FEMALE	30	37.5
TOTAL	80	100

Source: primary data

Table 1 shows the gender classification of respondents. 62.5% of the respondents are male teachers and the remaining 37.5% are female teachers.

INCOME BASED CLASSIFICATION OF RESPONDENT

TABLE 2 INCOME BASED CLASSIFICATION

MONTHLY INCOME	NO OF RESPONDENTS	PERCENTAGE
30000-45000	30	37.5
45000-60000	8	10
60000-75000	28	35
ABOVE 75000	14	17.5
TOTAL	80	100

Source: primary data

Table no: 2 indicates that 37.5% of respondents belong to the income group of 30000- 45000, 10% of respondents belong to the income group of 45000-60000, 35% of respondents belong to the income group of 60000-75000, and 17.5% of respondents belong to the income group of above 75000.

SUBJECT OF TEACHING

TABLE 3 SUBJECT OF TEACHING

SUBJECT	NO OF RESPONDENTS	PERCENTAGE
Language	28	35
Science	26	32.5
Humanities	26	32.5
TOTAL	80	100

Source: primary data

Table 3 shows the subject of teaching of the respondents.35% of them are language teachers and the proportion of science and humanities teachers are 32.5% each

YEAR OF EXPERIENCE IN TEACHING

TABLE 4 YEAR OF EXPERIENCE IN TEACHING

YEAR	NO OF RESPONDENTS	PERCENTAGE
Up to 4	20	25
5 to 14	12	15
15 to 24	20	25
25 to 34	28	35
TOTAL	80	100

Source: primary data

Table 4 indicates that the years of experience of college teachers. 35% of them lie in the category of 25 to 34, 25% of them lie in the category of 5 to 24 and Upto 4 and 15% of respondents come under the category of 5 to 14.

FINANCIAL AND PROMOTIONAL ASPECTS OF COLLEGE TEACHERSTABLE 5
FINANCIAL AND PROMOTIONAL ASPECTS

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Highly satisfied	28	36
Satisfied	48	60
Neutral	0	0
Dissatisfied	4	5
Highly Dissatisfied	0	0
TOTAL	80	100

Source: primary data

Table 5 indicates that the financial and promotional aspects of college teachers. Majorityof the college teachers (60%) are satisfied with the Financial and promotional aspects like salary, incentives etc. given by the Govt.

STUDENTS BEHAVIOUR AND CLASS ROOM ACTIVITIES

TABLE 6 STUDENTS BEHAVIOUR AND CLASS ROOM ACTIVITIES

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Very good	16	20
Good	54	67.5
Fair	10	12.5
Bad	0	0
Very bad	0	0
TOTAL	80	100

Source: primary data

Table 6 indicates that the student's behavior and class room activities. 67.5% of themopined that it is good, 20% as very good and 12.5% as fair.

BEHAVIOUR AND ATTITUDES OF SUPERIORS, SUBORDINATES TABLE 7 ATTITUDES OF SUPERIORS AND SUBORDINATES

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Very good	20	25
Good	52	65
Fair	8	10
Bad	0	0
Very bad	0	0
TOTAL	80	100

Source: primary data

Table 7 indicates that the attitudes of superiors and subordinates. Majority of the respondents (65%) stated that it is good; 25% of the respondents stated that it is Very good and10% of the respondents stated that it is fair.

PARTICIPATION IN DECISION MAKING

TABLE 8 PARTICIPATION IN DECISION MAKING

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Very much	14	17.5
Enough	16	20
Adequate	14	17.5
Some few	20	25
Not at all	16	20
TOTAL	80	100

Source: primary data

Table 8 shows the level of teachers' participation in decision making. Only 20% of respondents have enough freedom to participate in decision making. Most of the teachers have no opportunity to participate in decision making.

RECOGNITION FROM THE SOCIETY

TABLE 9 RECOGNITION FROM THE SOCIETY

RESPONSES	NO OF RESPONDENTS	PERCENTAGE
Very much	40	50
Enough	30	37.5
Adequate	10	12.5
Some few	0	0
Not at all	0	0
TOTAL	80	100

Source: primary data

Table 9 shows the job satisfaction and recognition from the society. 50% of themhave very much satisfaction with this aspect.

RELATIONSHIP OF JOB SATISFACTION BETWEEN MALE AND FEMALE TEACHERS

TABLE 10 JOB SATISFACTION BETWEEN MALE AND FEMALE TEACHERS

JOB SATISFACTION OF MALE TEACHERS	JOB SATISFACTION OF FEMALE TEACHERS
15.6	8.8
14.3	8
14	8.7
14.2	8.3
12.7	6.7
12	7
11.7	7.2
12.8	7

Source: primary data

Table 10 indicates that the job satisfaction of male and female teachers' .Correlation coefficient between the job satisfaction of male and female teachers is 0.88. There is high degree of positive correlation between the job satisfaction of male teachers and those of female teachers.

RELATIONSHIP BETWEEN YEARS OF SERVICE AND JOB SATISFACTION OF COLLEGE TEACHERS

TABLE 11 YEARS OF SERVICE AND JOB SATISFACTION

YEARS OF SERVICE	JOB SATISFACTION
0-4	5
5-14	3.5
15-24	4.8
25-34	7

Source: primary data

Table11 indicates that the years of service and job satisfaction of the respondents. From the results of correlation coefficient (0.7), it is clear that there is a positive correlation between these two elements.

SUGGESTIONS

- Training methods should be improved.
- Teachers should be provided with adequate freedom for decision making.
- More liberal rapport should be developed between teachers and administrativeauthorities.
- The teachers should be provided with sufficient rest room and other facilities.

CONCLUSION

Teachers' job satisfaction is one of the important factors in terms of which the effectivenessof an institution is evaluated. From this limited study, it is found that there are varieties of factors which affect teachers' job satisfaction.

These factors include nature, rules and regulations of the job, financial aspects,students' behavior and class room activities , behavior and attitude of superiors , subordinates, principal, non teaching staff, administrative authorities etc; freedom for participating in decision making, recognition of the society etc. The above factors have great effects on the satisfaction of teachers.

The job satisfactions among male ad female teachers have a high degree of positive correlation and there is also a positive correlation between the years of service and job satisfaction of college teachers.

The teachers should be provided with better training methods, restroom facilities etc. There should be a better relationship with administrative authorities; they should be given sufficient freedom for decision making etc. for attaining higher satisfaction from all such aspects of their profession.

BOOKS

- Dr. Krishnaswamy O.R and M.Ranganathan, Methodology of Research in Social Sciences: Himalaya Publishing House, 2009.
- Singh B.P, Organization theory and Behavior.

WEBSITES

- www.google.com
- www.scridb.com
- www.wikepedia.com

QUALITATIVE STUDY OF SOURCE CREDIBILITY AND ITS VARIOUS DIMENSIONS OF MEASUREMENTS AND ITS IMPACT ONRECEIVER

Roopesh Rao*

*Assistant Professor,
Datta Meghe Institute of Management Studies,NYSS Institute of Management & Research,
Nagpur, Maharashtra, INDIA

ABSTRACT

Celebrity Endorsers helps ordinary consumers save their precious time by providing their expertise and personal charisma. In other words, by using an endorsement, the advertiser is asking the consumer to rely on the endorser's judgment about the service or product in making a purchase decision. There are also legal implications attached to the Celebrity endorser if consumer rights are not protected from the misleading advertising and other media sources. Source credibility also affects the consumers' perceptions of the quality of health information on the Internet. This paper brings out qualitative analysis of literature on Source credibility and celebrity endorsers messages to the consumerand the impact of it on the receivers end.

KEYWORDS: *Advertising, celebrity endorsement, celebrity endorses, credibility, Source credibility.*

INTRODUCTION

SOURCE CREDIBILITYDEFINITION

Roobina Ohanian defines Source credibility as communicator's constructive characteristics that affect the receiver's acceptance of a message. (Ohanian, 1990).Credibility signifies the scope of the source, perceived of having relevant expertise and knowledge of the subject which can be trusted and who gives an honest and believable opinion on the subject or the product, Brand and Services. (Ohanian, 1990). The Source can be the Celebrity Endorser‟s Credibility, Company‟s credibility, and advertisings credibility. Perceived expertise and trustworthiness of the endorser is an important bases of credibility, and effectiveness of celebrity and other endorsements derives from the credibility of a product's endorser [Hovland, Janis, and Kelly 1953; Ohanian 1991]. Endorsers are also used as sign in low involvement situations, whereby a consumer's reaction to the endorser is directly passed on the brand [Petty, Cacioppo, and Schumann 1983].

Organizations and Groups also act as endorsers by providing either their expertise or trustworthiness (Kertz and Ohanian 1992). They can enhance the credibility of an advertisement. Celebrity Endorsers helps ordinary consumers save their precious time by providing their expertise and personal charisma. In other words, by using an endorsement, the advertiser is asking the consumer to rely on the endorser's judgment about the service or product in making a purchase decision. Here comes the concept of reliance. This proposed reliance on the endorser is what the advertiser hopes will occur in using the endorsement and the company thinks of cashing on. However, reliance is one of the most vital base for the endorser's legal liability when claims about the product are false or deceptive (Kertz and Ohanian 1992).

Source credibility and endorsement advertising analyze the factors which make advertising effective and credible. There are legal implications if consumer rights are not protected from the misleading advertising and other media sources. There are Federal Guidelines Concerning the Use of Endorsements and Testimonials in Advertising. It also implied that of State Regulation and Consumer Remedies are provide to protect the consumers. Advertising companies, Media and the celebrity endorsers have liabilities about what they convey to the consumers (Kertz and ohanian 1992).

DEFINITIONS OF TERMS ASSOCIATED WITH SOURCE CREDIBILITY ACCORDING TO DIFFERENT AUTHORS

EXPERTISE: “Expertise is the second dimension of source credibility” as defined by Hovland, Janis, and Kelley (1953). This dimension is also referred to as "authoritativeness" (McCroskey 1966), "competence" (Whitehead 1968), "ex- pertness" (Applbaum and Anatol 1972), or "qualification" (Berlo, Lemert, and Mertz 1969)

ATTRACTIVENESS: Baker and Churchill proposed that “Physical attractiveness is an important cue in an individual's initial judgment of another person” (Baker and Churchill 1977; Chaiken 1979; Joseph 1982;. A literature review of the area indicates that the construct of attractiveness is not uni-dimensional or one-dimensional and there are many definitions used to operationalize attractiveness.

INVOLVEMENT: Involvement has been identified as a variable significantly affecting the processing of information(Petty and Cacioppo 1979), and has been recognized as a good indicator of motivation to process the message (Cels and Olson 1988; Petty and Cacioppo1979; Zaichkowsky 1985). Researchers have suggested that involvement could be an important variable which mediates the effect of comparative advertising (Ash and Wee 1983).

ATTRIBUTION THEORY: Consumer behavior researchers suggest that attribution theory (Kelly 1967, 1972) provides a viable framework for predicting consume behavior (Gorn and Weinberg 1984) Sparkman and Locander 1980). Attribution theory suggests first that a consumer's attributions concerning why communicator takes a particular position in a message has an important impact on whether the consumer acceptor rejects the message. Additionally, the Persuasive impact of a message is influenced by this causal analysis (Eagleyand Chaiken 1975). According to the theory, consumers act like naive scientists in attemptingto determine the cause of events. Seen in terms of advertising, attribution theory would suggest that the recipients of a comparative advertising message may have a problem connecting and/or attributing the advertising message for a new brand to its causes.

CREDIBILITY

“Refers to the objective and subjective components of the believability of a source or message, credibility has two key components: trustworthiness and expertise, which both haveobjective and subjective components. Trustworthiness is based more on subjective factors, but can include objective measurements such as established reliability”.

In India Celebrities are considered high on Status and credibility. This is also due to the cultural values and norms followed by Indians (Hofstede 1984). Celebrities can be Sports personalities, Movie stars, Political leaders, and Page 3 people. They have wide recognition in the society and mass followers as well as persona attached to them through frequent media limelight. (Gupta and Dang 2009)

THE SOURCE CREDIBILITY MODEL

This model contends that the effectiveness of a message depends on perceived level of expertise and trustworthiness in an endorser (Dholakia and Stemthai 1977; Hovland, et al. 1953; Hovland

and Weiss 1951; Ohanian 1991; Solomon 1996). Information from a credible source (eg. celebrity) can influence beliefs, opinions, attitudes and/or behavior through a process called internalization, which occurs when receivers accept a source influence in terms of their personal attitude and value structures.

LITERATURE REVIEW

Atkins and Block (1983) proposed the Effectiveness of Celebrity Endorsers on alcohol advertising and young audiences, since this has been a controversial issue in terms of social effects of advertising. Three versions of identical pair of ads were shown with celebrities and non celebrity. In each case the famous celebrity is compared with a modified version of add which has non celebrity endorser. The respondent were conditioned with pretests and a they were given a three page questionnaire which measures the dependent variable ad rating, believability, Character rating, product Image, behavior intension. The results signified that Celebrity endorsers endorsing alcohol products have high impact on teenagers than older people. Low impact on Adults signifies that they have stronger orientation towards the alcohol ads and alcohol that association of celebrities has little or no impact towards preference for the alcohol brands. They have their own preferences and endorser donot affect their preferences. Since these ads have more impact on the teenagers and youth, advertisers have social and moral obligation to use celebrity endorsers responsibly. Use of surrogate advertising can be done to prevent the effect on Teenagers as teenagers would not understand the product endorsed and Adults know well about the alcoholic brands.

Kamins Michael A., Meribeth J. Brand, Stuart A. Hoeke, John C. Moe in 1989 proposed the study which examines celebrity endorsements in advertising using a two- sided framework, in terms of the internalization and identification processes of social influence. In their study two-Sided versus One-Sided Celebrity Endorsements: The Impact on Advertising Effectiveness and Credibility they designed two-sided execution to increase a viewers perception of advertiser credibility by including a discussion of a limitation of the advertised service. Results showed that when compared to a traditional one-sided celebrity endorsement, the two-sided communication elicited significantly higher advertising credibility and effectiveness ratings, higher evaluation of the sponsor in terms of perceived overall quality of service, as well as a significantly greater intention to use the advertised service. These findings suggest that the use of a celebrity appeal in a two-sided form is an effective advertising strategy. The sponsor received significantly higher ratings on overall quality of service and subjects revealed a significantly greater intention to use the company to tackle consulting problems.

Roobina Ohanian in 1990 constructed a Scale to Measure Celebrity Endorsers‟ Perceived Expertise, Trustworthiness, and Attractiveness**.**

Psychometric scale development procedures were followed which rigorously tested a large pool of items for their reliability and validity. Using two exploratory and two confirmatory samples, the research developed a 15-item semantic differential scale to measure perceived expertise, trustworthiness, and attractiveness. The scale was validated using respondents self reported measures of intention to purchase and perception of quality for the products being tested. The scale demonstrated high reliability and validity.

The Author finds out whether an effective and credible spokesperson someone who is attractive, trustworthy, or an expert, or a combination of all the three traits. The Author also tries to inculcate whether a credible spokesperson is an individual who is dynamic, qualified, authoritative, sociable, or safe by developing a scale measuring the above mentioned constructs. The wisdom of using a celebrity and the spokesperson's effectiveness for different demographic and psychographic consumer groups can also be evaluated. Jerry B. Gotlieb and Dan Sarel in 1991 proposed a research on Comparative Advertising Effectiveness: The Role of Involvement and Source Credibility**.**

Previous research on the persuasive impact of comparative advertising has produced inconsistent results. Consequently, researchers have suggested lack of credibilityand the need for higher involvement as two problems which might impede the persuasive impact of comparative advertising. However, virtually no empirical evidence comparing the effects of comparative advertising to non-comparative advertising when different levels of involvement are activated exists. In addition, little research has examined whether source credibility enhances the persuasive impact of comparative advertising. Attribution theory provided the framework for this experiment. Experimental results suggested that when higher involvement is activated and a source of higher credibility is included in the advertisements, comparative advertising for a new brand has a more positive effect on purchase intentions than non- comparative advertising.

The results signified that the comparative advertisement did not have a more positive effect on construction-motivated involvement than the non-comparative advertisement. Test also signified that Source credibility had an effect on construction motivated involvement for a new brand. When the communicator in the advertisement has higher credibility, a higher level of construction motivated involvement will be activated than when the message is communicated by a source of lower credibility there would be low level of motivation. There was a statistically significant interaction between source credibility and type of advertisement on purchase intentions. The result suggested that when higher involvement is activated and a source of higher credibility is included in the advertisements, comparative advertisements have a more positive impact on purchase intentions than non-comparative advertisements.

Kertz and Ohanian (1992) in their paper "Source Credibility, Legal Liability, and the Law of Endorsements, Journal of Public Policy & Marketing" proposed that Advertising can be used as a tool to encourage and influence consumers and convey information about the marketplace. To increase the persuasive appeal of advertising, manufacturers and retailers have started relying heavily upon celebrities and well known individuals as endorsers for their products. In their process of developing ads to make it persuasive, some advertisers donot pay adequate attention to other criteria such as informativeness and truthfulness. However, most people would agree that, from a social and legal standpoint, advertising must convey the most accurate information possible. The Authors also found out that that the review of endorsement laws has identified several factors that have become subjects of FTC enforcement and court interpretations.

One can also critique that though the celebrity endorser legally responsible for endorsing a product but in actual even the celebrity must not like the product. Only the company and advertiser should be held accountable for the product/service and not the Celebrity. It"s only a job which the celebrity is performing and it"s not a compulsion for any customer to buy a particular product since the celebrity is endorsing it.

Carlson Les, Tripp Carolyn, Jensen Thomas D in the Year 1994 proposed a research on The Effects of Multiple Product Endorsements by Celebrities on Consumers Attitudes and Intentions. This research investigated the effects of number of products endorsed by a celebrity and number of exposures to the celebrity on consumers' attitudes and purchase intentions. Print ads as are used as stimuli, the results revealed that, as the number of products endorsed increases consumers' perceptions of celebrity credibility, celebrity likability and attitude toward the ad become less favorable. The paper also discusses about explored underlying attribution processes associated with consumer‟s perceptions of multiple product endorsers using depth interviews.

B. Zafer Erdogan did a Literature Review on Celebrity endorsement in the year 1999. He viewed that the use of celebrities as part of marketing communications strategy is a fairly common practice for major firms in supporting corporate or brand imagery. His objective of the study was how can companies select and retain the right celebrity among many competingalternatives, and, simultaneously manage this resource, while avoiding potential pitfalls and define variables, which may be considered in any celebrity selection process Firms invest significant monies in juxtaposing brands and organizations with endorser qualities such as attractiveness, likeability, and trustworthiness. They trust that these qualities operate in a transferable way, and will generate desirable campaign outcomes. But at times, celebrity qualities may be inappropriate, irrelevant and undesirable. Thus, a major question is how can companies select and retain the right celebrity among many competing alternatives, and simultaneously manage this resource, while avoiding potential pitfalls. The author talks about Celebrity versus Non-Celebrity Endorsers and companies have limited control over the celebrity‟s persona as they have created their public persona over the years. He also discusses the Pros and Cons of Celebrity Endorsement Strategy. The author also talks about the Models on Celebrity Endorsement Strategy like the Source credibility model and the Source attractiveness Model. This author has identified factors from the academic literature which may have managerial importance for selecting celebrity endorsers. The effectiveness of celebrity endorsers is found to be moderated by several factors in the literature. They are celebrity attractiveness and credibility, product-celebrity match, message and product type, level of involvement number of endorsements by celebrities, target receiver characteristics, and overall meanings (e.g. personality; values, standards) attached to celebrities. Besides these factors, economic visibility of endorsers, regulative issues, compatibility with overall marketing strategy, and potential risks must be simultaneously also considered.

In the paper Selecting Celebrity Endorsers: The Practitioner's Perspective, Zafer, Baker and Tagg. (2001) investigated importance of celebrity characteristics when selecting anendorser and these factors importance according to product types. The research findings validated much of the consumer-based research that managers consider a range of criteria when choosing celebrity endorsers and that the importance of the criteria depends on the product type.

The research started with exploratory interviews and then mail surveys were done. There was a huge difference in the literature available and what the practitioners actually practiced. In the mail survey it was found that big agencies were able to rope in big celebrities who had mass following. The small agencies and firms were not able to do so.

Interviews were conducted with ten managers from nine advertising agencies who hadextensive experience in celebrity campaigns (two CEOs, three account directors, two creativedirectors, a casting director, and two planning directors) and a celebrity director from a specialty research agency. Fax responses were also received from two agencies

The mail survey respondents were advertising agency directors/managers working at agencies that were members of the Institute of Practitioners in Advertising (IPA).

The Author signifies that the Choice of Celebrity endorser depends upon the product- type; one can do a Critique that in practices there may be a celebrity who may be endorsing a High involvement product like a Suiting Brand and also selling a low involvement FMCG product.

In the year 2006 in the Journal of Medical Informatics and the Internet in Medicine the authors BENJAMIN R. BATES, SHARON ROMINA, RUKHSANA AHMED and DANIELLE HOPSON discussed for the first time the effect of source credibility on consumers‟ perceptions of the quality of health information on the Internet**.** Recent use of the Internet as a source of health information has raised concerns about consumers‟ ability to tell „good‟ information from „bad‟ information. Although consumers report that they use source credibility to judge information quality, several observational studies suggest that consumers make little use of source credibility. Their study examines consumer evaluations of web pages attributed to a credible source as compared to generic web pages on measures of message quality. Tests were conducted to compare each attributed message to its counterpart attributed to a generic webpage on measures of trustworthiness, truthfulness, readability, and completeness. The results demonstrated that differences in attribution to a source did not have a significant effect on consumers‟ evaluations of the quality of the information.

Authors say that Source credibility should matter to Internet users when they evaluate the quality of health information. When a highly credible source is named, consumers should judge that information to be of high quality. Author expected that persons who received information from a high quality source to judge that information more credible than persons who received. The authors offer suggestions for national organizations to promote credibility to consumers as a heuristic for choosing better online health information through the use of media co-channels to emphasize credibility The Test results indicated that presenting high-credibility sources of health information on the Internet has little or no effect on consumers‟ perceptions of quality when these sources are compared to a no-credibility source. There were two reasons specific to these messages that may explain this finding and some advice for encouraging consumers to take source credibility into greater account when evaluating health information on the Internet. The First reason is that the participants may not have taken source credibility fully into account is that consumers may not be invested in seeking out high-quality information onthe Internet. The second one is that it supports the claim that consumers often use source credibility to evaluate the quality of health information on the Internet. Though the test results indicated that presenting high-credibility sources of health information on the Internet has little or no effect on consumer‟s perceptions of quality when these sources are compared to a no-credibility source, but Websites promoted by hospitals, doctors and Health organization are credible source and patients trust these sources for health information.

Another important paper which discusses source credibility is “MULTIPLE ROLES FOR SOURCE CREDIBILITY UNDER HIGH ELABORATION: IT‟S ALL IN THE TIMING” (Tormala, Pablo and Petty 2007). The paper discusses two experiments explore the conditions under which these conceptually distinct effects occur. It is demonstrated that the effect of source credibility on thought confidence is dominant when source information follows.

Attitudes were more favorable in the high rather than low credibility condition. There was no effect of timing on thought favorability, but there was a marginal effect for source credibility, this effect was qualified, however, by the predicted interaction, credibility influenced thought favorability when it proceeded, but not when it followed, the message. Finally, on thought confidence there was no main effect for timing, but there was a significant effect of source credibility. As predicted, though, this too was qualified by a significant interaction, Credibility affected thought confidence when it followed, but not when it preceded, the message.

There is Influence of Source Credibility on Attitude Certainty. (Xiaoli Nan 2009). Xiaoli Nan investigated the influence of source credibility on attitude certainty, referring to an individual‟s subjective confidence in his/her attitude. Results of a laboratory experiment shows that low source credibility, compared with high source credibility, leads to greater attitude certainty. This relationship, however, only holds when the source is identified before message exposure and for people who are low in need for cognition.

CONCLUSION

By going through the various literatures and doing their reviews we can conclude that Source credibility will definitely influence the receiver's acceptance of a message or information to be conveyed to the receiver. Source credibility also influences Attitude Certainty. The Sourcecan be the Celebrity Endorser‟s Credibility, Company‟s credibility, and advertisings credibility. Perceived expertise and trustworthiness of the endorser is an important base of credibility, and effectiveness of celebrity and other endorsements derives from the credibility of a product‟s endorser. Source credibility and endorsement advertising analyze the factors which make advertising effective and credible. There are also legal implications attached to the Celebrity endorser if consumer rights are not protected from the misleading advertising and other media sources. Source credibility also affects the consumers‟ perceptions of the quality of health information on the Internet.

REFERENCES

1. Aggarwal-Gupta Meenakshi and Dang Vriya Jha (2009), "Examining Celebrity Expertise and Advertising Effectiveness in India", South Asian Journal of Management. Vol 16 No 2 pp 62-75.

2. Ahmed Rukshana, Bates Benjamin R, Romina Sharon, &Danielle Hopson (2006), "The effect of source credibility on consumers‟ perceptions of the quality of health information on the Internet", Medical Informatics and the Internet in Medicine, Vol 31(1) pp 45 – 52.

3. Applbaum, Ronald F and Karl W E Anatol, (1972), "The Factor Structure of Source Credibility as a Function of the Speaking Situation,' Speech Monographs, 39 (August), 216-222.

4. Baker Michael J and Erdogan B. Zafer, Tagg Stephen (2001), "Selecting Celebrity Endorsers:The Practitioner's Perspective", Journal of Advertising Research, pp 39-48

5. Berlo, David K., James B. Lemert, and Robert J. Mertz (1969), "Dimensions for Evaluating the Acceptability of Message Sources," Public Opinion Quarterly, 33 (Winter), 563-576.

6. Carlson Les, Tripp Carolyn, Jensen Thomas D (2004), "The Effects of Multiple Product Endorsements by Celebrities on Consumers Attitudes and Intentions", Journal of Consumer Research, Vol. 20 pp 535-547.

7. Chaiken, Shelly (1979), "Communicator Physical Attractiveness and Persuasion," Journal of Personality and Social Psychology, 37 (2) 1387-1397.

8. Consuelo Lauda Kertz and Ohanian Roobina (1992). Source Credibility, Legal Liability, andthe Law of Endorsements, Journal of Public Policy & Marketing,

9. Dholakia, R and Stemthai, B. (1977), "Highly Credible Source: Persuasive Facilitator or

Persuasive Liabilities?" Journal of Consumer Research, 3, No 4 pp.223-232.

10. Goldsmith Ronald E, Lafferty Barbara A, and Newell Stephen J, "The Impact of Corporate Credibility and Celebrity Credibility on Consumer Reaction to Advertisements and Brands", Journal of Advertising, Vol. 29, No. 3 (2000), pp. 43-54

11. Gotlieb Jerry B. and Sarel Dan, "Comparative Advertising Effectiveness: The Role of Involvement and Source Credibility", Journal of Advertising, Vol. 20, No. 1 (1991), pp. 38-45

12. Hofstede, Geert (1984), Culture's Consequences: International Difference Work Related Values, Beverly CA Sage Publications.

13. Hovland Carl I., Janis, L. Irving, and Kelley, Harold H. (1953), Communication and Persuasion, New Haven, CT: Yale University Press.

14. Joseph, W. Benoy (1982), "The Credibility of Physically Attractive Communicators: A Review," Journal of Advertising, 11 (3), 15- 24.

15. Kamins Michael A., Meribeth J. Brand, Stuart A. Hoeke, John C. Moe (1989), Two-Sided versus One-Sided Celebrity Endorsements: The Impact on Advertising Effectiveness and Credibility, Journal of Advertising, Vol. 18, No. 2 pp. 4-10.

16. McCroskey, James C. (1966), "Scales for the Measurement of Ethos," Speech Monographs, 33, 65-72.

17. Nan Xiaoli, (2009) "The Influence of Source Credibility on Attitude Certainty: Exploring the Moderating Effects of Timing of Source Identification and Individual Need for Cognition", Psychology & Marketing, Vol. 26(4): 321–332.

18. Ohanian R (1991), "The Impact of Celebrity Spokespersons' Perceived Image on Consumers' Intention to Purchase", Journal of Advertising Research, Vol. 31, No. 1, pp. 46-54.

19. Ohanian, Roobina (1990), "Construction and Validation of a Scale to Measure Celebrity Endorser's Perceived Expertise, Trustworthiness and Attractiveness, "Journal of Advertising, 19. No.3, pp.39-52.

20. Peity, Richard E, John T. Cacioppo and David W. Schumann, "Central and Peripheral Routes to Advertising Effectiveness: The Moderating Role of Involvement." journal of Consumer Research 10, 3 (1983): 135-46.

21. Pornpitakpan Chanthika, (2003) "The Effect of Celebrity Endorsers Perceived Credibility on Product Purchase Intention: The Case of Singaporeans", Journal of International Consumer Marketing, Vol. 16(2) pp 55-74.

22. Whitehead, Jack L.(1968), "Factors of Source Credibility," Quarterly Journal of Speech,54 (1), 59-63.

23. Zaichkowsky, Judith Lynne (1985), "Measuring the Involvement Construct," Journal of Consumer Research, 12 (December), 341-352.

A Publication of TRANS Asian Research Journals | TRANS Asian Journal of Marketing & Management Research

IMPACT OF PERFORMANCE APPRAISAL DEVICES ON SHAREPRICE

Dr. Ruchi Sharma*

*Assistant Professor,
Vaish College, Bhiwani, INDIA

ABSTRACT

In this paper efforts are made to observe the impact of some performance appraisal devices on Market price per share. For this purpose Ten Industries are studied having five year time period from 2001 to 2005. Mean, range, standard deviation, variation, skewness and kurtosis are used as statistical tool.

INTRODUCTION

International business is borderless and compete-tiveness is dictating success in the economic growth of a nation. The capital market reforms, the increasing inflow of foreign capital, the increasing number of institutional investors and Multi-national Corporation are changing the Indian business environment at global level. The process of globalization has thrown open many opportunities. With the increased inflow of foreign direct investment in many sectors of the Indian economy, Indian business would not be able to avoid the rigour of international competition. Investor is going become very rational .His investment decision depend on current market price. We think market price has some driver likely- return on capital employed, return on net worth ,dividend per share and earning per share. This study try to represent the relationship between all above.

OBJECTIVE

The main of the study is determining the impact of return on capital employed, return on net worth, dividend per share and earning per share on market price per share.

HYPOTHESIS

Hypothesis is to be set there is no relationship between MPS and ROCE, RONW, DPS, EPS.

DEFINITION OF TERMS USED IN THE STUDYEARNINGS PER SHARE (EPS)

Earning per share (EPS) shows the amount of earnings available to equity shareholders. The amount of earnings per share has been arrived at as given below.

$$\text{EPS} = \frac{\text{(Earnings after interest and tax — Preference dividend)}}{\text{Number of equity shares}}$$

DIVIDEND PER SHARE (DPS)

Dividend per share shows the amount of dividend paid per share. The amount has been arrived at as given below:

$$\text{DPS} = \frac{\text{Total dividends paid}}{\text{Number of equity shares}}$$

RETURN ON CAPITAL EMPLOYED (ROCE)

Return on capital employed is computed by dividing net profit by total capital employed in the business. Net profit in this case means net profit before taxes but less interest on short- term borrowing. Capital employed is found out by subtracting current liabilities from total investments. This ratio is the only dependable measure of overall performance of a corporation. A higher ratio is an index of better utilization of funds.

$$\text{Return on capital employed} = \frac{\text{Net profit}}{\text{Capital employed}}$$

RETURN ON NET WORTH (RONW)

Return on net worth is obtained by dividing profits before tax by net worth. Net worth means paid up equity and preference capital plus reserves and surplus. Return on net worth measuresthe productivity of shareholders funds. A higher ratio indicates the better utilization of owners' funds and higher productivity.

MARKET PRICE PER SHARE (MPS)

The Market price per share has been computed by taking into account the annual high and low values of the market price of share. The average value of this is taken as the market price per share.

MPS = (High + Low Market price per share) / 2

ANALYSIS OF MARKET PRICE PER SHARE

Summary statistical measure of the Market Price Per Share for all the industries for the study period is presented in Table The average Market Price Per Share is minimum in the year 2001 at Rs. 4.78 for Rubber Industry and maximum in the year 2003 at Rs. 484.79 for Automobile Industry. The range, which is the difference between the lowest and the highest Market Price Per Share is minimum in the year 2001 (Rs. 18.35) for Rubber Industry and maximum in the year 2003 (Rs. 16196.38) for Automobiles Industry. The fluctuations in the Market Price Per Share are high in the year 2003 for Automobile Industry, with a standard deviation of 2076.88 and variance of 4313434.75. The fluctuations in Market Price Per Share are low in the year 2001 for Rubber Industry, with a lowest standard deviation 5.40 and variance of 29.18. Hence, it may be concluded that Market Price Per Share exhibit high fluctuations during the study period in the sample industries. The Market Price Per Share registered high positive skewness in the year 2003 (7.59) for Automobile Industry and low positive skewness in observed in the year 2005 (0.74) for Coal and Mining Industry. During the study period of Market Price Per Share for all the Industries registered positive skewness. Degree of kurtosis for Market price per share is high in the year 2003 (58.35) for Automobile Industry. The degree of kurtosis is low in the year 2005 (-1.48) for Coal and Mining Industry and the distribution is platykurtic. Hence, it may be concluded that the Market Price Per Share is not uniformly distributed.

SUMMARY STATISTICS OF MARKET PRICE PER SHARE

YEAR	MEAN	MIN	MAX	RANGE	STD. DEV.	VAR.	SKEW	KURTOSIS
Automobile Industry								
2001	98.27	2.00	2130.00	2128.00	281.28	79119.49	6.66	48.01
2002	139.80	1.35	3450.00	3448.65	447.15	199941.53	7.12	53.22
2003	484.79	3.63	16200.00	16196.38	2076.88	4313434.75	7.59	58.35
2004	230.97	8.25	1910.50	1902.25	319.63	102163.96	3.35	13.57
2005	302.46	15.73	2829.50	2813.78	465.17	216382.96	3.83	17.00
Cement Industry								
2001	258.46	3.33	4377.50	4374.18	946.69	896220.68	4.54	20.70
2002	236.96	3.88	3853.50	3849.63	832.40	692893.64	4.52	20.56
2003	170.90	7.15	1010.00	1002.85	271.02	73451.54	2.35	5.21
2004	234.67	12.30	1313.53	1301.23	340.28	115790.85	2.29	5.20
2005	263.28	9.60	1581.03	1571.43	431.92	186558.07	2.45	5.43

Chemical Industry								
2001	74.23	1.00	1135.50	1134.50	182.74	33394.57	4.45	21.87
2002	83.00	0.98	1132.20	1131.23	185.53	34422.21	4.11	19.27
2003	129.74	2.88	1305.00	1302.13	230.94	53335.18	3.10	11.56
2004	160.41	3.36	1633.08	1629.72	296.11	87683.10	3.40	12.60
2005	215.14	1.98	2522.50	2520.53	409.05	167324.37	3.75	16.50
Coal and Mining Industry								
2001	32.52	2.30	133.28	130.98	39.40	1552.18	1.80	3.20
2002	67.36	2.55	351.00	348.45	100.09	10017.54	2.36	6.29
2003	205.95	4.00	796.55	792.55	278.98	77830.73	1.26	0.24
2004	292.56	10.93	1032.50	1021.57	368.52	135805.72	1.28	0.15
2005	437.41	12.85	1181.08	1168.23	501.54	251540.32	0.74	-1.48
Cotton and Textile Industry								
2001	18.91	0.50	273.25	272.75	46.00	2116.41	4.58	21.89
2002	21.09	0.35	241.00	240.65	43.49	1891.10	4.16	18.25
2003	45.86	0.65	443.75	443.10	45.86	6202.40	3.64	14.55
2004	74.86	0.96	797.68	796.72	133.10	17715.75	4.04	18.10
2005	169.16	0.95	3927.50	3926.55	543.52	295409.53	5.87	37.97
Electronics and Electrical Industry								
2001	35.27	0.43	298.50	298.08	53.33	2843.60	2.87	10.01

2002	33.01	0.70	248.13	247.43	49.23	2423.19	2.44	6.48
2003	82.32	0.78	697.53	696.75	149.86	22457.51	2.98	9.06
2004	139.32	0.45	2277.50	2277.05	326.48	106588.28	5.06	30.18
2005	200.28	0.48	1937.15	1936.67	306.23	93773.99	3.40	16.12
Home Appliance Industry								
2001	96.11	3.73	372.00	368.28	102.88	10584.29	1.09	-0.08
2002	109.39	3.90	343.75	339.85	109.71	12037.18	1.05	-0.14
2003	212.62	6.83	1067.25	1060.43	241.18	1055455.34	1.80	3.48
2004	178.98	11.13	679.80	668.67	169.93	28876.88	1.48	1.89
2005	261.78	9.59	819.90	810.31	239.26	57247.56	0.96	-0.15
Rubber Industry								
2001	4.78	0.90	19.25	18.35	5.40	29.18	2.55	7.02
2002	6.90	1.15	28.88	27.73	8.16	66.60	2.57	7.28
2003	11.41	2.20	50.53	48.33	14.54	211.31	2.60	7.21
2004	14.99	3.86	61.13	57.27	16.95	287.46	2.68	7.73
2005	21.11	6.00	61.95	55.95	20.71	429.05	1.00	-0.32
Iron and Steel Industry								
2001	9.71	0.60	85.50	84.90	15.71	246.78	3.48	14.24
2002	17.38	0.40	150.38	149.98	30.59	935.68	3.53	12.95
2003	54.94	0.48	437.23	436.75	79.81	6368.86	3.21	13.19

2004	75.86	7.38	384.45	377.08	82.82	6859.42	1.93	4.20
2005	86.42	4.63	376.30	371.67	101.11	10222.62	1.69	2.10
Food Product Industry								
2001	51.01	0.00	674.00	674.00	126.24	15936.33	3.79	14.50
2002	49.11	1.00	663.13	662.13	113.09	12789.15	3.91	16.70
2003	83.21	0.62	986.25	985.63	165.71	27458.76	3.57	14.86
2004	106.12	1.91	1303.93	1302.02	215.36	46380.94	3.79	16.49
2005	150.53	2.62	1405.00	1402.39	281.95	79495.08	3.34	11.64

The relationship between five year average Market Price Per Share and the five year average Earnings Per Share, Dividend Per Share, Return on Net Worth, and Return on Capital Employed for all companies separately analyzed with the help of correlation matrix analysis.

CORRELATION CO-EFFICIENT MATRIX OF SELECTED VARIABLES FOR ALL INDUSTRIES

		MPS	DPS	EPS	ROCE	RONW
Pearson Correlation	**MPS**	1.000				
	DPS	.347(**)	1.000			
	EPS	.470(**)	.439(**)	1.000		
	ROCE	.085	.092	.105(*)	1.000	
	RONW	.053	.051	.048	-.054	1.000

The above table shows the relationship among the variable.All veriable have positive relation with market price of share. Market price per share highly correlated with the earnig per share having maximum value of 0.47.

TESTING OF HYPOTHESIS

In order to test the hypothesis that 'the Earnings Per Share has no significance influence on the Market Price Per share', t-test was administered on the difference between the averages of the Earnings Per Share and Market Price Per share. The significance of difference between the means of the Earnings Per Share and Market Price Per Share is shown below.

TABLE-1

	Mean	Std. Deviation	Std. Error Mean	Mean Difference	Std. Deviation Difference	Std. Error Mean Difference	t-value
EPS	6.3762	38.7113	1.8249	-120.4389	301.5827	14.2167	-8.472 *
MPS	126.8151	317.8434	14.9833				

From the above table 1, it is observed that the 't' value is significant at 0.05 level. Hence, it may be concluded that Earnings Per Share has no influence on the Market Price PerShare. The ‘t’ test results in acceptance of the hypothesis.

In order to test the hypothesis that 'the Dividend Per Share has no significance influence on Market Price Per Share, t-test was, administered on the difference between the averages of the Dividend Per Share and Market Price Per Share. The following table clearly shows the significance of the difference between the means Dividend per share and Market price per share.

TABLE-2

	Mean	Std. Deviation	Std. Error Mean	Mean Difference	Std. Deviation Difference	Std. Error Mean Difference	t-value
DPS	4.8879	12.7185	0.5996	-121.93	313.661	14.7861	-8.246*
MPS	126.815	317.843	14.9833				

From the table 2, it is observed that the ‘t' value is significant at 0.05 level. Hence, thehypothesis is accepted. It may be concluded that the Dividend Per Share has no influence on Market Price Per Share. The t' test results in acceptance of the hypothesis.

In order to test the hypothesis that 'the Return on Capital Employed has no significance influence on the Market Price Per Share, t-test was administered on the difference between the averages of the Return on Capital Employed and Market Price Per Share. The significance of difference between the means of the Return on Capital Employed and Market Price Per Share is shown below

TABLE-3

	Mean	Std. Deviation	Std. Error Mean	Mean Difference	Std. Deviation Difference	Std. Error Mean Difference	t-value
MPS	126.8151	317.8434	14.9833	123.6366	320.9937	15.1318	8.171 *
ROCE	3.1785	79.4390	3.7448				

From the above table 3 it is observed that the 't' value is significant at 0.05 level. Hence, it may be concluded that Return on Capital Employed has influence on the Market Price Per Share. The 't' results in rejection of the hypothesis that the Return on capital employed has no significant influence on Market Price Per Share.

To test the hypothesis that the Return on Net Worth no significance influence on Market Price Per Share, t-test was administered on the difference between the averages of the Return on Net Worth and Market Price Per Share. The following table clearly shows the significance of the difference between the means Return on Net Worth and Market Price Per Share.

TABLE-4

	Mean	N	Std. Deviation	Std. Error Mean	Mean Difference	Std. Deviation Difference	Std. Error Mean Difference	t-value
MPS	126.8151	450	317.8434	14.9833	114.8076	329.0090	15.5096	7.402 *
RONW	12.0076	450	103.3533	4.8721				

From the table 4, it is observed that the ’t’ value is significant at .05 levels. Hence, the hypothesis is rejected. It may be concluded that the Return on Net Worth has no influence on Market Price Per Share. Test results in rejection of the hypothesis.

CONCLUSION

Above study reveal that there is a positive relation between all variables Market price per share of all industries is effected by return on capital employed, return on net worth, earning per share and dividend per share.

REFERENCES

1. Ferguson and Leistikow., (1998), "Search for the Best Financial Performance Measure: Basics Are Better", Financial Analysts Journal, Vol. 54, No. 1, Jan/Feb., p: 81-85.

2. Fernandez, Pablo.,(2004), "Three Residual Income Valuation Methods and Discounted Cash Flow Valuation". The ICFAI Journal of Applied Finance, April.

3. Girotra,A. and Yadev, S.,(2001), "EVA: A New Tool For Measuring Corporate Performance"Global Journal of Flexible System Management, Vol. 2, No.1, Jan/March .

4. Gopa Kambagiri Swamy,(2002),Shareholder Wealth Creation - A Study of Selected Indian Industry.

5. Gopathy, V.,(2005), "Economic Value added concept vis-à-vis corporate governance" Management Accountant, Vol. 10, No. 8, Aug, p: 607-610.

6. Grant, J., (1996), "Foundation of EVA for Investment Managers", Journal of Portfolio Management, vol. 23, No. 1, p: 41-48.

7. Gupta,S.P. and Gupta, M.P.,(2004),Business Statistic, Sultan Chand and Sons.

8. Hamel, G.,(1997), "Debate. Duking it Out Over EVA", Fortune, Vo. 136, No. 15, Aug. , p: 186.

9. Hanlon, O. and Peosnell, (1996), "MEASURE FOR MEASURE" Accountancy, Vol. 117,No. 1230, Feb., p:38-39.

10. Hooda, R.P., Statistic for Business and Economics MacMillian Publication.

11. Jagannathan, R., (2002), "ROMANCING EVA", Indian Management Vol. 41, No. 4, July ,p: 3034.

12. Kay, J.,(1997), "Shareholder Aren't Everything", Fortune, Vol. 135, No. 3, Feb., p: 73.

13. Kilroy,(1999), "Creating the future : How creating and innovation drive shareholder wealth",Management Decision Vol. 37, No. 4, p: 363-371.

14. Knight, A., (2003), "Value Based Management : Developing a Systematic Approach ToCreating Shareholder Value" The Journal of Applied Financial, Vol.9, No.1, Jan., p: 74-83.

Review Process

Each research paper/article submitted to the journal is subject to the following reviewing process:

1. Each research paper/article will be initially evaluated by the editor to check the quality of the research article for the journal. The editor may make use of ithenticate/Viper software to examine the originality of research articles received.
2. The articles passed through screening at this level will be forwarded to two referees for blind peer review.
3. At this stage, two referees will carefully review the research article, each of whom will make a recommendation to publish the article in its present form/modify/reject.
4. The review process may take one/two months.
5. In case of acceptance of the article, journal reserves the right of making amendments in the final draft of the research paper to suit the journal's standard and requirement.

Categories

- Business Management
- Marketing
- Finance
- Insurance
- Human Resource & I.T.

Published by

Trans Asian Research Journals

SCO 34, Ist Floor, HUDA Market,
Near Red Cross, Jagadhri - 135 003 (Haryana) INDIA
Website : www.tarj.in

Our other publications :
Asian Journal of Multidimensional Research (AJMR)
ISSN (online) : 2278-4853