

ISSN (Online) : 2279-0667



TAJMMR

ISSN (online) : 2279-0667

Editor-in-Chief : Dr. Karun Kant Uppal**Impact Factor : SJIF 2013 = 4.289****Frequency : Monthly****Country : India****Language : English****Start Year : 2012****Published by : www.tarj.in****Indexed/ Listed at : Ulrich's Periodicals
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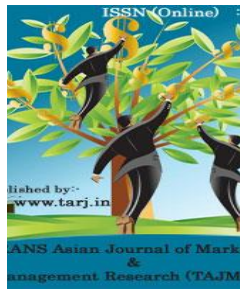
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HUMAN RESOURCE MANAGEMENT PRACTICES AND ITS IMPACT ON PSYCHOLOGICAL CONTRACT AND EMPLOYEE'S COMMITMENT IN ORGANIZATIONS

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ABSTRACT

Human resources are the most valuable and unique assets of an organization. The successful management of an organization's human resources is an exciting, dynamic and challenging task, especially at a time when the world has become a global village and economies are in a state of flux. Management opt various HRM practices to enhance employees commitment and strengthen psychological contract. It is therefore necessary for all managers to understand and give due importance to the different human resource policies and activities in the organization. The present study made an attempt to examine the impact of the HRM practices on the employee's psychological contracts and organisational commitments. To examine such impact, a Structural Equation Model (SEM) was constructed and model fit was assured on the basis of given rule of thumb. The model shows a very good fit to apply. On the basis of the outcome of the model, this study concludes that out of six variables taken as independent in study, only two; i.e. recruitment and selection and, employee's empowerment have an impact on the organizational commitment.

KEYWORDS: *Psychological contract, human resource management practices, Employee's Organisational commitments, Structural Equation Modeling (SEM).*

INTRODUCTION

The notion of "modern HRM practices" has become an increasingly used way of referring to high levels of delegation of decisions, extensive lateral and vertical communication channels, high reward systems, often linked to multiple performance indicators, and other practices that

either individually or in various bundles are deployed to achieve high levels of organizational performance (Ichniowski et al., 1997; Zenger and Hesterly, 1997; Colombo and Delmastro, 2002; Teece, 2007; Colombo and Delmastro, 2008). Following Foss, Laursen and Pedersen (2011) we posit that the HRM practices considered in the literature involve: a) delegation of responsibility, such as team production; b) knowledge incentives, such as profit sharing, individual incentives and incentives for knowledge sharing; c) internal communication, encouraged for instance by practices related to knowledge sharing or job rotation; d) employee training, both internal and external; and e) recruitment and retention, such as internal promotion policies). It can be noted that the first three classes of practices include the practices that are typically included as “modern” HRM practices in the literature (Teece, 2007), while the latter two classes in a stylized fashion can be considered more traditional HRM practices.

The early literature was concerned with various “stand-alone” HRM practices and their effect on organizational performance (e.g. Gerhart and Milkovich, 1990; Terpstra and Rozell, 1993). Most of the empirically-based literature since the mid-1990s has focused on the effects of complementary practices, rather than the effect of individual practices (Ennen and Richter, 2010). The idea of complementarities in our context implies that the introduction of one HRM practice increases the returns to doing more of other HRM practices related to innovation output. Note that although the notion of “internal fit” is arguably less precise than the idea of complementarity, this notion is often used in the HRM literature in a similar fashion to that of complementarity (see e.g., Baird and Meshoulam, 1988; Arthur, 1994). Ideas on “systems” or “bundles” of HRM practices (see, Subramony, 2009) operate with a similar logic. The empirical literature on organizational complementarities suggests two approaches: an interaction and a systems approach (cf. Ennen and Richter, 2010). The interaction approach (e.g., Capelli and Neumark, 2001) examines the effect of a few organizational practices, and in contrast, the systems approach (e.g., Ichniowski et al., 1997; Laursen and Foss, 2003) looks at the relative performance outcomes of entire sets of variables. Given the sheer number of individual practices considered in the literature, the systems approach is dominant, even if it only confers an indirect test of complementarity.

Concept of Psychological Contract:

Psychological contract research has been identified as a useful concept for understanding employees’ relationships with their employers and subsequent consequences including work attitudes and performance (Robinson, Kraatz, & Rousseau, 1994; Shore & Tetrick, 1994). The psychological contract is generally defined in the academic literature as the implicit and explicit promises that two parties make to one another (Rousseau & Tijoriwala, 1998). For example, an employer may make a promise to its employee to provide job security and training, and an employee may promise to work hard and to be loyal. The contract is termed psychological because it reflects each party’s perceptions of the relationship and promises involved.

According to Guest (2007), a psychological contract is concerned with the perceptions of both parties to the employment relationship, organization and individual, of the reciprocal promises and obligations implied in that relationship. It is the beliefs based upon promise expressed or implied regarding an exchange agreement between an individual and, in organizations, the employing firms and its agents. These beliefs transcend the written and explicit provisions of the formal employment contract (Rousseau, 2004). Rousseau & Wade-Benzoni, (1994) define psychological contract as beliefs that individuals hold regarding promises made, accepted and

relied upon between themselves and another. Guest et al., (1996) argue that a psychological contract is concerned with assumptions, promises and mutual obligations. It is implicit and also dynamic, developing over time as experience accumulates, and employment conditions change and employees evaluate their expectations.

Knight et al., (2005) defines psychological contract as a set of individual beliefs or perception regarding reciprocal obligations between the employee and the organization. Some of these obligations are recorded in the form of a written formal contract; largely they are implied and not openly discussed. For example, the employee has expectations in the areas of promotion, pay, training, job security, career development, and support with personal problems. In return, the employer expects the employee to be willing to work extra hours, be loyal, volunteer to do non-required tasks, give advance notice when quitting, be willing to accept transfer, to refuse to support competitors, to protect company information, and to spend a minimum of two years with the organization. These obligations are perceived promises that both parties believe have been made and accepted by both parties. However the employees understanding of the employment relationship may be different from that of the organization. It is this perceptual and idiosyncratic nature of the psychological contract that distinguishes it from other forms of contracts.

Schein (1965) explains that the notion of a psychological contract implies that there is an unwritten set of expectations operating at all times between every member of an organization and the various managers and others in that organization. The individual has a variety of expectations of the organization and that the organization has a variety of expectations of him. Both parties in the same organization can have different views regarding specific terms because psychological contract represents how people interpret promises and commitments.

Beardwell (2007) observes that psychological contract is somewhat concerned with an individual's subjective beliefs. Human resources are the most valuable and unique assets of an organization. The successful management of an organization's human resources is an exciting, dynamic and challenging task, especially at a time when the world has become a global village and economies are in a state of flux. The scarcity of talented resources and the growing expectations of the modern day worker have further increased the complexity of the human resource function. Even though specific human resource functions/activities are the responsibility of the human resource department, the actual management of human resources is the responsibility of all the managers in an organization. It is therefore necessary for all managers to understand and give due importance to the different human resource policies and activities in the organization. Shaped by the organization, regarding the terms of an exchange relationship between the individual employee and the organization. It is subjective, unwritten and of ten not discussed or negotiated; it goes beyond any formal contract of employment. The psychological contract is promise based, and overtime assumes the form of mental schemas or models which like most schemas is relatively stable and durable.

Human Resource Management Practices and Psychological Contract:

Increased competition has led to recent changes in business environment which has signified the need for organizations to search for new ways to survive and enhance their performance. One of the possible solutions for organizations to respond effectively and efficiently to these changes is to embrace the use of human resource management (HRM) practices and develop a

psychological contract to improve their performance. Human resource practices send strong messages about what organisations expect and what employees can anticipate in return (Guest, 1998; Rousseau & Greller, 1994). They create contractual and future intentions through hiring practices, reward practices and developmental activities. Organisations even use them as communication tools (Guzzo & Noonan, 1994; Lucero & Allen, 1994; Rousseau & Greller, 1994; Sims, 1994). Several studies have confirmed the influence of these human resource practices on organisational performance (Ahmad & Schroeder, 2003; Allen & Griffeth, 1999; Chang & Huang, 2005; Huselid, 1995; Khatri, 2000; Xirogiannis, Chytas, Glykas & Valiris, 2007). It is commonly accepted that the people working for an organization are one of its main asset and one of the factors in determining its performance. Workers qualities, attitude and behavior in the workplace together with other factors such as psychological contract play an important role in determining an organizations performance (Stoner et al., 2002). Although; this type of resource is one in which organizations do not have complete control, there do exist certain strategies to enable them exert their influence on the quality and performance of the human capital on which they rely.

The kind of psychological contract that organizations build with the employees will have a vital influence in this area and thereby on the performance achieved by the organization.

Secondary evidence on psychological contracts reveals critical relationships between employers and employees to ensure productivity, continued innovation and creativity (Coyle-Shapiro & Kessler, 2000; Flood, Turner, Ramamoorthy & Pearson, 2001; Maguire, 2002). Historically, employers expected employees to work hard to meet the demands of their managers. In return, employers would provide job opportunities with guaranteed advancement and lifetime employment (De Meuse, Bergmann & Lester, 2001; Strong, 2003).

Human Resource practices also play a vital role to remove the turnover intention of the employees from the organization which improve their commitment to the organization effectively (Griffeth & Hom, 1995; Igharia & Greenhaus, 1992). On the other side Wong, Hui, & Law, (1995) stated in their study that, employees who are honest and loyal with the organization they have less intention to leave the organization as compare to those who have less loyalty/commitment with the organization. However, the other researchers have also explained that HRM practices (performance appraisal, career development and benefits) have a relevancy for employees and the employers to improve their relationship as well as commitments (Rousseau & Greller, 1994).

HRM Practices and Organizational Commitment:

A lot of work, related to HRM practices and organizational commitment, has been done by the different scholars so far and they have tested the relationships of HRM practices and organization commitment of employees (Meyer & Allen, 1991; Shore & Wayne, 1993). Researchers have explained three main concepts of organizational commitment: Normative commitment, Affective commitment, and Continuance commitment (Meyer & Allen, 1990). Affective commitment is defined as that is strong attachment and involvement of the employees within the organization (Allen & Meyer, 1990). Mowday, Steers and Porter, (1979) argued that it is fully involvement of the employees with a special organization. However the strong believes and feelings of the employees with the organization make him committed to work for the organization. This type of commitment is very fruitful for the organization to sustain his employees for the better productivity. Kanter (1968) further explained that a

commitment of employees mostly attach with the organization on the base of cost or investment an organization use on their employees. This cost may be motivated an employees or become a motivating factor for him to leave the organization.it means that organization investment on the employees has a positive relationship with the organization commitment but it can me negative when it utilization is not in proper direction (Meyer & Allen, 1984). The cost which an organization uses to motivate the employees towards the commitment with the organization be consider by the employees valuable for him. However, lack of employment alternatives also increases the perceived costs associated with leaving the organization and therefore increases the continuance commitment of employees to the organization (Allen & Meyer, 1990). Meyer, Paunonen, Gellatly, Goffin, and Jackson (1989) explored that commitment with the organization from the employees side mainly depend upon the intrinsic and extrinsic level of motivation. Different studies have explained that motivation has a strong impact on employees' commitment with the organization by employees (O'Reilly & Chatman, 1986). According to Mowday et al., (1982), employees who are committed to an organization tend to strongly believe and accept the organization's goals and values exert considerable effort on behalf of the organization and maintain membership in the organization. Thus, organizational commitment not only enhances employee intentions to exert effort on behalf of an organization but also influence employees' intentions to stay with the organization.

Objectives of the Study: This study is an attempt to attain the following objectives:

- i. To examine the association between HRM practices and the psychological contracts of the employee in an oraganisation.
- ii. To examine the association between HRM practices and the organizational commitments of the employee.
- iii. To fit the Structural Equation Model to show the association among the observed variables of the study.

Hypotheses: To attain the objectives of this study, following hypotheses have been formed and tested:

H₀₁- "There is no significant association between HRM practices and the psychological contracts of the employee in an oraganisation".

H₀₂- "There is no significant association between HRM practices and the organizational commitments of the employee".

Methodology: This study is based on the primary data collected through a structured questionnaire. The sample units that have been taken in the study are the employee working in the organization. The sample size is 171. Data collected through the questionnaire has been codded and processed in firstly in MS Excel than analysed using appropriate statistical tools through the statistical software SPSS (version 22). A Structural Equation Model has been formed and run through the software AMOS (version 22). As the structural equation modeling technique enables the simultaneous estimation of multiple regression equations in a single framework. Notably; all direct and indirect relationships in the model have been estimated simultaneously, and thus the method allows all the interrelationships among the variables to be assessed in the same decision context. It is to note that researchers have recommended that a sample size 100 to 200 is appropriate for Structure Equation Model (SEM) analysis, (Bollen, 1989). The sample size in this study is171, so SEM analysis could be applied. The following

SEMhas been constructed:

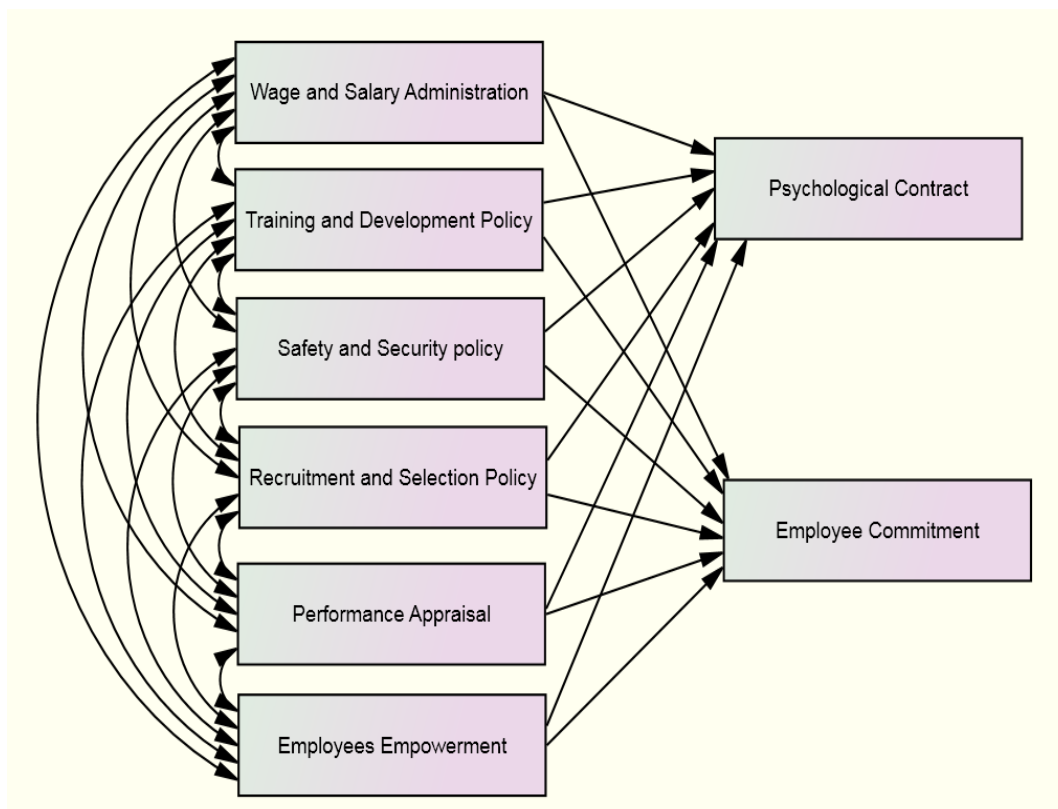


Figure 1: Proposed Structural Equation Model for Path Analysis.

Covariance matrices were analyzed in all cases using SPSS-AMOS software. Model fit and adequacy have been assured and results of statistical analysis are presented in the following section of this study:

Data Analysis and Interpretation:

This section of the study presents the output of the Structural Equation Model constructed and run in this study. The model fit has been assured by the common rule of thumb as given in the **table 1**.

Table 1: Indicators for Model Fit

Indicator	Required for Good Fit	Required for Acceptable Fit
CMIN (Chi-Square/df)	$0 \leq \text{Chi-Square/df} \leq 2$	$2 \leq \text{Chi-Square/df} \leq 3$
P value overall	$0.05 \leq p \leq 1.00$	$0.01 \leq p \leq 0.05$
CFI (Comparative Fit Index)	$0.97 \leq \text{CFI} \leq 1.00$	$0.95 \leq \text{CFI} \leq 0.97$
GFI (Goodness of Fit Index)	$0.95 \leq \text{GFI} \leq 1.00$	$0.90 \leq \text{GFI} \leq 0.95$
AGFI (Adjusted Goodness of Fit Index)	$0.90 \leq \text{AGFI} \leq 1.00$	$0.85 \leq \text{AGFI} \leq 0.90$
NFI (Normed Fit Index)	$0.95 \leq \text{NFI} \leq 1.00$	$0.90 \leq \text{NFI} \leq 0.95$

Source: Schermelleh-Moosbrugger and Muller (2003).

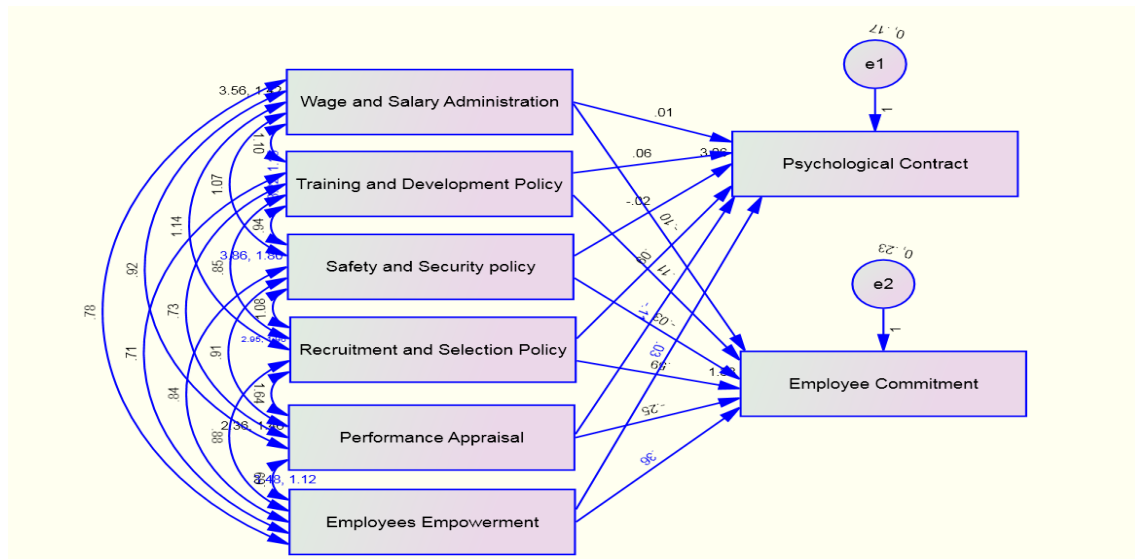
The outcomes of the Structural Equation Model are presented in the table 2 below:

Table2 : Outcome values of the Indicators for the Model Applied in This Study

Indicator	Outcome Values of Indicators	Model Fit Type
CMIN (Chi-Square/df)	1.648	Good Fit
P value overall	0.199	Good Fit
CFI (Comparative Fit Index)	1.00	Good Fit
GFI (Goodness of Fit Index)	0.998	Good Fit
AGFI (Adjusted Goodness of Fit Index)	0.914	Good Fit
NFI (Normed Fit Index)	0.999	Good Fit

Source: Outcome of the Model Applied in This Study.

Table 2 shows that all the indicators required for a good model fit have been assured. Other than the indicators mentioned above, Root-Mean-Square Error of Approximation (RMSEA) is one of the indicators for assuring the good fit of the model. Hu and Bentler (1995) suggested that a value of RMSEA below 0.06 indicates good fit. In case of this study it is found 0.06 which indicates a good model fit. All the values of indicators, mentioned in above table 2, are presented in tables A1 to Table A4 of the annexure A at the end of this study. The model is given below in figure 2:

**Figure 2: Structural Equation Model for Path Analysis.**

As the structural equation modeling technique enables the simultaneous estimation of multiple regression equations in a single framework. Notably; all direct and indirect relationships in the model are estimated simultaneously, and thus the method allows all the interrelationships among the variables to be assessed in the same decision context. It was hypothesized that there is no significant impact of HRM practices on Employee's organizational commitments and his/her psychological contracts. The findings of the model, for regression analysis, are presented in table 3. Finding shows that only two observed variables; i.e. recruitment and selection and employee's empowerment, were found to lead the employee's organizational commitment. Other variable were not found to have any impact either on psychological contracts or on employee's organizational commitment. The combined effect of different factor of HRM practices was also not found to affects the psychological contracts and employee's organizational commitment as

calculated value of overall p (0.199) is greater than 0.05 hence accept to our null hypotheses first (H_{01}) and second (H_{02}).

Co-variances among the variables were examined in the model for all cases to test the null hypothesis (H_{03}) that “there is no significant co-variance among the different variables taken in HRM practices”. Results are presented in table B4 of the annexure B. Results show that, co-variances among the variables are statistically significant at 5 percent level of significance. The outcome for the correlation matrix of data is shown in table B5 of the annexure B. Results show that, all the variables taken in the study are highly and positively correlated with each other.

3. CONCLUSION

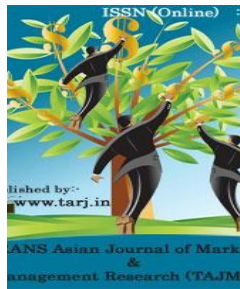
HRM practices have tremendously witnessed themselves as a contributor in the success and survival of the modern organizations. Employees who are availing sound HRM practices mostly agree to contribute to the mission and survival of the organization hence, employees and employers need to agree on the contributions that employees will make to the firm and vice versa. Understanding and effectively managing these agreements more precisely, psychological contracts can help organizations thrive. Organizations are thus increasingly acknowledging psychological contract as a significant aspect of employment relationship. The concept of mutuality is a major feature of psychological contract, implying that there is a common and agreed understanding of promises and obligations the respective parties have made to each other about work, pay, loyalty, commitment, flexibility, security and career advancement. To ensure a sense of personal achievement, enhance employability and engender relationship values in an effort to maintain healthy psychological contract which will stimulate commitment and loyalty, organizations need to change work patterns. Hence, a balanced psychological contract is necessary to build a continuing and harmonious relationship between employees and the organization. Further, HRM practices are the key promoter of employee's organizational commitment. Employees who are benefited with the sound HRM practices followed by the organization are found to be more committed to the organization. The present study made an attempt to examine the impact of the HRM practices on the employee's psychological contracts and organizational commitments. To examine such impact, a Structural Equation Model was constructed and model fit was assured on the basis of given rule of thumb. The model shows a very good fit to apply. On the basis of the outcome of the model, this study concludes that out of six variables taken as independent in study, only two; i.e. recruitment and selection and, employee's empowerment have an impact on the organizational commitment. The overall impact was also not found significant for all the independent variables.

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TALENT MANAGEMENT- A CASE OF TATA CONSULTING ENGINEERS (TCE) LTD

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ABSTRACT

In today's challenging business environment of going global and competition becoming intense, organizations have mounting pressure to perform better than before. Talent management involves individual and organizational development in response to a changing and complex operating environment. In today's talent-hungry market scenario, one of the greatest challenges that organizations are facing is to successfully attract, assess, train and retain talented employees. Managing the talent of key employees is critical to achieve the success in long-term by any organization. There is no shortage of definitions for this term, used by corporate leadership the world over. Development Dimensions International (DDI) defines "talent management as a mission critical process that ensures organizations have the quantity and quality of people in place to meet their current and future business priorities." Tata Consulting Engineers Limited (TCE) is one of India's leading engineering consulting organizations. Established as Tata-Ebasco Consulting Engineering Services in 1962, the company is now a wholly-owned subsidiary of Tata Sons Limited. TCE is ISO 9001 - 2008 certified by Lloyd's Register Quality Assurance. TCE offers a wide range of multi-disciplinary services in project engineering across several sectors. The firm has completed more than 5,000 assignments, including the engineering of several power plants with total installed capacity of over 41,000MW,

*TCE conduct's Talent Management programs in order to encourage employees to work better at job and obtain better efficiency and quality of work. **Young Engineer Development Program:** Technical as well as behavioral training is provided for the trainees. **Leadership Accelerated Program:** This program is conducted for experienced employees only in order to enhance their participating behavior. **Continuing Education Program:** Technical training is provided for the experienced employees. Talent management as part of skills management has become a key element for business performance. It is a source of individual recognition, which is a key factor for internal mobility and generates change for innovation. Identifying talent is finding the people who will transform business knowledge by sharing it around them and transforming it into tools, goods or services that can create future wealth for the company.*

KEYWORDS: *environment, Talent management, Dimensions, Identifying,*

INTRODUCTION

In today's challenging business environment of going global and competition becoming intense, organizations have mounting pressure to perform better than before. Over the years, creation and preservation of knowledge has become a key tool in accelerating competitiveness and enhancing organizational capabilities to respond to market changes wherein employees' skills and personalities are appropriately deployed to optimize performance, is a critical and difficult task. Furthermore, identifying and developing executives who have leadership potential like every other vital strategic function. The real challenge that is faced by these industries is not hiring the right person for the right job, neither their Performance Management System, nor their Work Climate nor Culture, but in retaining the employee. It is proven beyond argument that it is the people who make or break the organization.

Talent management involves individual and organizational development in response to a changing and complex operating environment. In today's talent-hungry market scenario, one of the greatest challenges that organizations are facing is to successfully attract, assess, train and retain talented employees. Managing the talent of key employees is critical to achieve the success in long-term by any organization. Talent Management, in an organization, refers to those special steps an organization adopts to recruit, develop and retain its pool of top talent. It also denotes a deliberate approach taken up by an organization to attract, develop and retain people with the aptitude and abilities to meet not only the current requirements but also future organizational needs.

Talent Management encompasses in itself the entire process of Planning, Recruiting, Developing, Managing, and Compensating employees throughout the organization. Organizations have realized the need for talent management and are now focusing to develop and retain the existing talent in their organization rather than trying to acquire new talent because the cost of identifying, developing and retaining the talent internally is more cost effective than replacing the talent which is lost from external market.

Talent management as part of skills management has become a key element for business performance. It is a source of individual recognition, which is a key factor for internal mobility and generates change for innovation. Identifying talent is finding the people who will transform business knowledge by sharing it around them and transforming it into tools, goods or services that can create future wealth for the company.

Though it may appear initially that in the process of retaining talent, Organisations are spending more in terms of increased wages, rewards and recognition, when we practically analyze, the cost of acquiring a new talent is higher. Apart from higher cost of acquiring the new talent it has to additionally face the initial hiccups of this new employee getting along with the organizational goals and strategies. Every business unit is making sure that they can respond and withstand the challenges of talent crisis by developing an effective talent management strategy like identifying the key talented people in the organization, cultivating and developing the skill of their present workforce and retaining highly talented employees by protecting them from competitors.

Talent Management:

Definition:

There is no shortage of definitions for this term, used by corporate leadership the world over. Development Dimensions International (DDI) defines “talent management as a mission critical process that ensures organizations have the quantity and quality of people in place to meet their current and future business priorities.” The process covers all key aspects of an employee’s “lifecycle” selection, development, succession and performance management.

Key components of a highly effective talent management process include:

- A clear understanding of the organization’s current and future business strategies.
- Identification of the key gaps between the talent in place and the talent required to drive the business to success.
- A sound talent management plan designed to close the talent gaps. It should also be integrated with strategic and business plans.
- Accurate hiring and promotion decisions.
- Connection of individual and team goals to corporate goals, and providing clear expectations and feedback to manage performance.
- Development of talent to enhance performance in current positions as well as readiness for transition to the next level.
- A focus not just on the talent strategy itself, but the elements required for successful execution.
- Business impact and workforce effectiveness measurement during and after implementation.

Profile of Tata Consulting Engineers Ltd.

Tata Consulting Engineers (TCE) is a wholly-owned subsidiary of Tata Sons Ltd. Established in 1962 as Tata-Ebasco, the company managed about 60% of the country's power installations in the initial years. Evolving and diversifying into several industry sectors, some of it funded by international development funding agencies. TCE built capabilities and upscale.

Through the evolutionary process during the past five decades or so, the constant that has stood the company in good stead are the ethical practices and strong value systems - the hallmark of the Tata brand.

TCE, established as the Tata-Ebasco Consulting Engineering Services in 1962, is a premier engineering consulting organisation and a wholly owned subsidiary of Tata Sons.



With highly qualified and experienced professionals on its rolls, TCE offers a range of multi-disciplinary services that cover the entire gamut of project engineering, from inception to commissioning. TCE is ISO 9001 - 2008 certified by Lloyd's Register Quality Assurance.

“TCE has progressively built upon its core engineering expertise to benefit customers in unique ways. Service today is increasingly being calibrated to unique project needs. Such calibration calls for balancing of all aspects of the engineering consulting business in order to drive topline growth and strengthen the bottomline. TCE is continuing to realign itself to rise up to customer challenges of cost, technology, compliance and delivery.” **Mr Prasad Menon**, Former Chairman, Tata Consulting Engineers Ltd

Areas of Business:

TCE offers comprehensive solutions in the following areas:

- Power (thermal, combined cycle, diesel, hydro, renewable; transmission and distribution).
- Infrastructure (water supply and waste water management; buildings, roads and bridges; rural and urban development; airports, ports and harbours).
- Chemical (refineries, petrochemicals, pharmaceuticals, food and allied products, pulp and paper, man-made fibre, fertilisers, pesticides, other chemicals).
- Industrial (cement, glass, automobiles and auto components, tyre, white goods, industrial products, special projects).
- Steel and metals.
- Mining and minerals.

Vision

To be an internationally respected engineering consultant offering comprehensive solutions

Mission

Provide technically excellent and innovative solutions, for adding value for all stakeholders, and operate globally as professional consulting engineers.

Values

The first executives to be inducted were from the Tata Administrative Services, one of corporate India's oldest such training programmes. TAS is a high-profile recruiter at top business schools in India and its alumni include R Mukundan, managing director of Tata Chemicals, and Mukund Rajan, a member of the group executive council, an apex panel that reports to the chairman. There are about 330 TAS managers across the group. The group, which has a market capitalisation of \$134 billion, has been reorienting itself from traditional businesses to newer industries such as e-Commerce, Defence and Aerospace.

Mistry's Vision 2025, which was announced in 2015, is aimed at putting it in the same league as the top 25 most valuable companies in the world. The group will invest \$35 billion (Rs 2.23 lakh crore) in the next three years across sectors with some of the focus areas being realty and infrastructure, defence and aerospace, consumer and retail, and financial services. Such initiatives will help India's oldest and largest conglomerate, which employs more than 6 lakh people, prepare a roster of potential leaders.

- Customer satisfaction and loyalty
- Responsibility to society
- Organisational and individual growth
- Technical excellence with professional ethics
- Employee dignity and self respect

About TATA Group

The Tata group, India's largest diversified conglomerate, has launched an initiative to create a pipeline of future leaders who will be mentored by multiple chief executives for upto two decades compared with one year now.

The exercise is aimed at preparing potential leaders to tackle a rapidly evolving business climate as the group looks to more than double market value to \$350 billion in a decade as part of chairman Cyrus Mistry's Vision 2025. The initiative aligns with chairman Mistry's plan to create 25 companies similar to Tata Consultancy Services, India's largest software exporter by market value.



Building a Roster of Potential Leaders

The initiative to create a pipeline of future leaders aligns with Chairman **Cyrus Mistry's** plan to create 25 companies similar to TCS

Some of the initiatives with involve :

- Professors will take classes in organisational behaviour, behavioural economics and industrial psychology
- Painters, musicians, dancers and poets will help bring a new perspective
- Along with over 100 heads of the Tata companies, the Tata Sons core human resources team will also be part of the mentoring group
- All potential front-runners will have an HR exec and a CEO/CXO to guide them till they take over the reins at a group co
- First executives to be inducted will be from the Tata Administrative Services
- The programme won't be confined to TAS executives once it's rolled out

Expert Speak

"It is unusual for companies to have a long mentorship programme like this but if it works then they will have pipeline of next few tiers ready. By exposing them to multiple CEOs, you are pushing them to be ready with anything new that comes up."

AMIT NANDKEOLYAR
Assistant Professor, ISB

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Talent Management at TCE Ltd

Tata Consulting Engineers Limited (TCE) is one of India's leading engineering consulting organizations. Established as Tata-Ebasco Consulting Engineering Services in 1962, the company is now a wholly-owned subsidiary of Tata Sons Limited. TCE is ISO 9001 - 2008 certified by Lloyd's Register Quality Assurance. TCE offers a wide range of multi-disciplinary services in project engineering across several sectors. The firm has completed more than 5,000 assignments, including the engineering of several power plants with total installed capacity of over 41,000MW, several large urban water supply and waste water projects (including those for smaller towns), facilities inside factory limits and offsite facilities for several chemical and industrial plants. TCE has always endeavored to provide state-of-the-art technology and cost-effective solutions to its clients. This in turn has helped TCE to earn an international reputation and awards for engineering excellence.

TCE QSTP-LLC, a subsidiary of TCE established in Doha, Qatar, operates from Qatar Science & Technology Park Free Zone. TCE has successfully carried out several assignments overseas in South East Asia, the Middle East, Africa, Europe, Asia-Pacific, Australia and the Americas. TCE has done projects funded by:

- World Bank
- Asian Development Bank
- United Nations Development Bank
- Japan Bank for International Corporation
- United Nation Industrial Development Organization and many more.

TCE has highly qualified and experienced professionals on its rolls. Design offices are located in several cities in India - Mumbai, Bangalore, New Delhi, Chennai, Kolkata, Pune and Jamshedpur, a subsidiary office in Qatar and branch offices in the USA and South Africa.

TCE brings a set of unique skills and strengths to projects, thus enabling the company to achieve excellence and customer satisfaction in a wide range of industries and business sectors.

- Vast experience gained over 55 years.

- Value driven organization
- Adaptability to handle diverse projects
- Large, well qualified and experienced workforce with cross-cultural experience
- Well established quality system
- Familiarity with International Standards
- Strong customer orientation

History of Talent Management:

Talent management is a term that emerged in the 1990s to incorporate developments in Human Resources Management which placed more of an emphasis on the management of human resources or talent. The term was coined by David Watkins of Softscape published in an article in 1998, and further defined in the book "Talent Management Systems" in 2004 however the connection between human resource development and organizational effectiveness has been established since the 1970s. Talent management is part of the Evolution of Talent Measurement Technologies.

The issue with many companies today is that their organizations put tremendous effort into attracting employees to their company, but spend little time into retaining and developing talent. A talent management system must be worked into the business strategy and implemented in daily processes throughout the company as a whole. It cannot be left solely to the human resources department to attract and retain employees, but rather must be practiced at all levels of the organization. The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates. Divisions within the company should be openly sharing information with other departments in order for employees to gain knowledge of the overall organizational objectives. Companies that focus on developing their talent integrate plans and processes to track and manage their employees talent, including the following:

- Sourcing, attracting, recruiting and on-boarding qualified candidates with competitive backgrounds
- Managing and defining competitive salaries
- Training and development opportunities
- Performance management processes
- Retention programs
- Promotion and transitioning
- **Talent Management: Concept**
- Wide variations exist in how the term 'talent' is defined across different sectors, and organisations may prefer to adopt their own interpretations rather than accepting universal or prescribed definitions. A working definition for both 'talent' and 'talent management':
- **Talent** consists of those individuals who can make a difference to organisational performance either through their immediate contribution or in the longer-term, by demonstrating the highest levels of potential.

- **Talent management** is the systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation, either in view of their 'high potential' for the future or because they are fulfilling business or operation-critical roles.
- These interpretations underline the importance of recognising that it is not sufficient simply to attract individuals with high potential. Developing, managing and retaining those individuals as part of a planned strategy for talent is equally important, as well as adopting systems to measure the return on this investment.
- Talent is everywhere; the difficulty today lies in identifying the right kind. Talent is a complex chemistry that combines personal history, a great capacity for analysis and contextualization, the ability to listen, respect for others and a perfect knowledge of one's profession, practices and changes. This is a new challenge that lies before organisations in the training and skills management business, to help companies with the identification process they do benchmarking based on their past knowledge.
- Talent management refers to the anticipation of required human capital the organization needs at the time of setting a plan to meet those needs. Companies engaging in a talent management strategy shift the responsibility of employees from the human resources department to all managers throughout the organization. The process of attracting and retaining profitable employees, as it is increasingly more competitive between firms and of strategic importance, has come to be known as **"the war for talent."**
- The term "talent management" means different things to different organizations. To some it is about the management of high-worth individuals or "the talented" whilst to others it is about how talent is managed generally - i.e. on the assumption that all people have talent which should be identified and liberated.
- Talent Management in organisations is not just limited to attracting the best people from the industry but it is a continuous process that involves sourcing, hiring, developing, retaining and promoting them while meeting the organisations requirements simultaneously. For instance, if an organisation wants the best talent of its competitor to work with it, it needs to attract that person and offer him something that is far beyond his imagination to come and join and then stick to the organisation. Only hiring him does not solve the purpose but getting the things done from him is the main task. Therefore, it can be said that talent management is a fully fledged process that not only controls an entry of an employee but also his or her exit.
- Talent is the most important factor that drives an organization and takes it to a higher level, and therefore, cannot be compromised at all. It won't be exaggerating saying talent management as a never-ending war for talent!

Talent Management: Process and Importance

Process:

People are, undoubtedly the best resources of an organization. Sourcing the best people from the industry has become the top most priority of the organizations today. In such a competitive scenario, talent management has become the key strategy to identify and filling the skill gap in a company by recruiting the high-worth individuals from the industry. It is a never-ending process that starts from targeting people. The process regulates the entry and exit of talented people in an

organization. To sustain and stay ahead in business, talent management cannot be ignored. In order to understand the concept better, let us discuss the stages included in talent management process:

Understanding the Requirement: The crucial stage is to determine requirement of talent.

- Sourcing the Talent
- Attracting the Talent
- Recruiting the Talent
- Selecting the Talent
- Training and Development
- Retention
- Promotion
- Competency Mapping
- Performance Appraisal
- Career Planning
- Succession Planning

Exit: The process ends when an individual gets retired or is no more a part of the organization.

Talent Management process is very complex and is therefore, very difficult to handle. The sole purpose of the whole process is to place the right person at the right place at the right time. The main issue of concern is to establish a right fit between the job and the individual.

IMPORTANCE:

Talent Management is on HR professional's minds these days, as HR works to obtain, retain and develop manpower. For talent management to be effective, what is important is to hire employees who seem to be the best fit in the organization. Organizations are taking steps to manage talent most effectively and also to develop their own employer brand. These brands simplify decision-making and communicate the value they create for their customers. Organizations that formally decide to "manage their talent" undertake a strategic analysis of their current HR processes. This is to ensure that a co-ordinated, performance oriented approach is adopted.

Quite often, organizations are adopting a TM approach will focus on co-ordinating and integrating various aspects such as:

Recruitment - ensuring the right people are attracted to the organisation.

Retention - developing and implementing practices that reward and support employees.

Employee development - ensuring continuous informal and formal learning and development.

Leadership and **"high potential employee" development** - specific development programs for existing and future leaders.

Performance management - specific processes that nurture and support performance, including feedback/measurement.

Workforce planning - planning for business and general changes, including the older workforce and current/future skills shortages.

Culture - development of a positive, progressive and high performance "way of operating".

An important step is to identify the staff or employees (people and positions) that are critical to the organization. They do not necessarily have to be senior staff members. Many organizations lost a lot of "organizational knowledge" in the downsizing exercises. The impact of the loss was not immediately visible. However, it did not take long for many companies to realize their mistake when they did not have people with the knowledge and skills to either anticipate or solve problems that arose.

The current problem about skill shortages and the ageing population are also helping organizations to focus on the talent management issue. It may not be possible to simply go out and recruit new people to meet operational needs. Many leading companies have decided to develop their own people, rather than trying to hire fully skilled workers.

TCE conduct's Talent Management programs in order to encourage employees to work better at job and obtain better efficiency and quality of work.

Young Engineer Development Program: Technical as well as behavioral training is provided for the trainees.

Leadership Accelerated Program: This program is conducted for experienced employees only in order to enhance their participating behavior.

Continuing Education Program: Technical training is provided for the experienced employees.

TCE under the talent management scheme motivates employees for **higher education** and provides them with **no objection certificate** so that the employees can enhance their skill set and bring knowledge to their work making it more effective. Under Talent Management, to sustain and motivate the employees cross culture activity such as town hall meet is performed:

Town hall meet / Channel of communication: Under this activity organization communicates about the goals, achievement and expectation of the organization to the employees. Clarifying the objective and doubts of employees about any policy are also considered in which employee are free to express their opinions, suggestions and issues.

Some other strategies followed at TCE are:

- Aligning Business strategies with the HR strategies.
- Performance Planning and Evaluation:
- Strategic Manpower Planning.
- Mapping the Talent.

One of the biggest risks facing many organizations is having the right talent to enable them to compete in the future. The reality for many businesses today is that a large majority of its key executives will probably retire in the next 5-10 years. While this may not have been an issue 10 or 15 years ago. Companies need to integrate their talent and succession planning with their strategic business plans and view talent management as a long-term, continuous process.

Highlights of Talent Management program:

- Employee on-boarding
- Administer Personal and Job Data
- Manager Self-Service
- Employee Self-Service
- Monitor Health and Safety
- Reporting/ Regulatory Compliance
- Managing Organization Structure
- Record Issues/ Grievances

Benefits of Talent Management program:

- Reduces employee on-boarding time by paper-less and error-free processes.
- Empowers employees and managers by providing self-service access. It results in reduced administrative costs and drives employee satisfaction.
- Drives informed decision making by providing timely and relevant information through reports.
- Reduces time and effort spent on administrative activities resulting in employee retention, effective people management and sharper focus on core business activities.
- Integrates seamlessly with other modules to form a single source for all HR data thereby reducing data inconsistencies significantly Improves employee productivity through simplified and unified interfaces.

CONCLUSION:

Talent management requires a strategic perspective. On what are the things that might impact an organization in the future? Will it grow and acquire other businesses, or is the market shrinking and therefore a different leadership approach may be needed? What 'type' of managers and business leaders will be needed in the future? Understand key roles. Effective talent management requires clarity on technical and behavioral requirements for the roles as well as specific experience, such as international or specific market experience. All key roles should have the necessary components and characteristics for superior performance clearly defined. Should the strategy be a balance of recruiting externally as well as promoting internally?

Tata Consulting Engineers is a best-in-class integrated engineering consultancy solutions provider. TCE's orientation program provides a unique platform to identify and develop individual skills through hands-on experience in diverse fields of engineering. The Leadership Accelerated Program (LEAP) and programs such as Young Engineer Development Program (YEDP) exposes the trainees to the various challenges that designers, planners and managers face in the real world scenario. The five months of intensive training that encompasses discipline-level training, site training, project management and 3-D training have been meticulously designed to ensure that they can groom themselves to adapt to the fast changing technical world and be the best in what they do. The training experience will be a perfect

transition. They have expertise of over five and half decades, specialised, in-house talent pool and the ability to provide holistic solutions under-one-roof which makes TCE distinctive.

Going forward with the help of Talent Management, TCE will continue to balance its revenue streams from international and domestic markets and focus both on sustained topline and bottomline growth. The Company will focus on innovation and value engineering, driving sustainable engineering solutions. These plans are also in alignment with the Tata Group's 2025 vision of Cyrus Mistry.

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- a) English-essay writing, precis writing, Correct the following sentences, filling the blanks with suitable Articles and prepositions.
- b) Multiple choice questions in Accounts and Finance(for Capital IQ,MFACTSET,GE Capital)
60 Marks.

Topics :

Accounting Concepts, Ratios, Shares, Debentures,

Revenue (income/expenditure)

Deffered (income/expenditure)

Capital (income/expenditure)

Accrued (income/expenditure)

Fixed Cost, Variable Cost, Marginal Cost and Break even (MCQ S in the above)

- c) Multiple choice questions in Arithmetic, Reasoning and Quantitative, Analytical Ability.**40 marks.**

- d) For Bank exams AMCAT for HDFC and IBPS for other Banks.

Aproximately 50 hrs of class room coaching in 6 working days.

Students must be given hands on Training in online exam mode, as all Bank test and Capital IQ are conducted online.

Generally exam pattern is **100-120** questions in 90 minutes.

Kindly note- The Topics covered for Engineering and MCA are

Self Assessment, Goal setting(Brief), Resume Building, Analytical Skills, Verbal Ability, Personality Development, Group Discussions, Interview facing Techniques, Mock tests and Mock Interviews.

Interview Process:

- **English Proficiency Test**
- **Language Assessment**
- **Technical and Typing Test**
- **Operations Manager Round**
- **HR Discussion**

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“A STUDY ON INVESTORS’ ATTITUDE AND PREFERENCE TOWARDS STOCKMARKET INVESTMENTS WITH SPECIAL REFERENCE TO LSGD EMPLOYEES IN CALICUT”

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ABSTRACT

Any investors try to earn a minimum rate return. He always sacrificing his/her presents consumption, and making investment. A large number of investment options are available to investors like shares, debentures, bonds, mutual funds and derivatives. The attitude of each investor seems to be unique; their preference over a particular investment avenue is based on the factors like risk tolerance, expected returns, liquidity, safety etc... This study aims to measure the investors' preference and attitude towards different Investment avenues in Indian stock market with reference to LSGD employees in Calicut. The main objectives of the study are to analyze the investment pattern and preference of investment mode among the stock market investors and to identify the factor that influences the investors towards investment in the stock market. The study concluded that the investor's nature of investment differs from individual to individual and is unique to each one because it depends on various parameters like future financial goals, the present & the future income model, capacity to bear the risk, the present requirements and lot more.

KEYWORDS: *Investor, investment avenues*

INTRODUCTION

An investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price. The concept of investment means employment of funds to earn additional income or growth in terms of value. It involves the commitment of resources which have been saved from current consumption in the hope that some benefits will be received in future.

There are numerous avenues of investment available today such as shares, bank, companies, gold and silver, real estate, life insurance, postal savings and so on. All the investors invest their

surplus money in these avenues based upon their preferences and objectives. Investors' attitude differ with respect to alternative investment avenues, assets and market segments in the securities market...Some investors will prefer high returns as well as high risk, some other needs safer mode of investment, whereas liquidity may be others' concern. Investment in the stock market instruments or securities has become one of the best choices for investors with the objective of return optimization. Stock market offers opportunity for investing in shares, debentures, derivatives, mutual funds etc ...Shares as an investment alternative includes both equity and preference shares. Preference shares are also ownership securities but carry a fixed rate of return as in the case of debentures. Each stock market investment has its own advantage over the other. Shares seem to be more liquid, where debentures and bonds give the privilege of fixed return for investors. Mutual funds and derivatives on the other hand ensure diversification and minimization of risk respectively. The investment motives also vary through capital gains, dividends, bonus, rights, tax benefits and other relevant factors.

This study analyses the attitude of investors in concern with their investment motive and satisfaction level as comparison with different variables.

STATEMENT OF THE PROBLEM

In India, numbers of investment avenues are available for the investors. Preference of the investor towards the selection of the investment is being influenced by the various factors such as their attitude towards the risk taking, expectations towards returns and capital growth, knowledge about the investment alternatives etc.,

This study focuses on preference and attitude of investors to various stock market investment options. It also aims to provide an insight into factors considered for an appropriate investment and analyses the satisfaction derived out of it.

SCOPE OF THE STUDY

This study attempts to evaluate the investors' attitude towards stock market investments with special reference to LSGD employees of Calicut. The study identifies the various factors that have to be considered by the investor while making their investment.

It also involves understanding the basic concept of stock market and investment alternatives. It focuses on how people are giving preference over their investments and the factors affecting the choice of investment options available in the market? And it also studies about level of satisfaction available to the investors from the chosen investment scheme.

SIGNIFICANCE OF THE STUDY

The study tries to reveal the factors influencing the stock market investment decision like risk, return, savings etc...The relevance of the study even analyzes the investor if it is able to get satisfaction in respect of the factor he/she considered as the main purpose of investing in stock market.

OBJECTIVES OF THE STUDY

1. To analyze the investment pattern and preference of investment mode among the stock market investors.
2. To examine the motives, perceptions and the resultant behavior of investors in investment decision.

3. To identify the factors that influences the investors towards investment in the stock market.

CONCEPTS:

Local Self Government Department (LSGD)

Kerala State has 941 Grama Panchayats, 152 Block Panchayats, 14 District Panchayats, 87 Municipalities and 6 Corporations. Consequent to the 73rd and 74th amendments to the Constitution, the three-tier system came into existence in India. In Kerala, Local Self-Government Institutions have been meaningfully empowered through massive transfer of resources as well as administrative powers. Local self-government Institutions have emerged as effective agencies for the implementation of developmental programmes. Developmental programmes are identified and implemented through Grama Sabhas. With the decentralization of power, Local administration department has gained an important role in the formulation and implementation of developmental works at the grass-root level. Today Panchayat Directorate, Directorate of Urban Affairs, Commissionerate of Rural Development and Town and Country Planning Department are the major allied departments of Local Administration. Related to local administration activities, there are different allied institutions and training centers under LSGD.

INVESTMENT:

To invest is to allocate money (or sometimes another resource, such as time) in the expectation of some benefit in the future. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price.

LITERATURE REVIEW:

1. Prof. Priya Vasagadekar "A research paper on investment awareness among Indian working women with special reference to Pune region" (2014), International Journal of scientific and Engineering Research, vol.5, issue 6, June 2014, ISSN 2229-5518. The main objectives of the study was to find out the investment habits of the Indian working women, To know the role of Indian working women in making investment decisions, To know the investment avenues that the Indian working women usually prefer, To find out the risk bearing capacity of the Indian working women while making investment decisions. The study concludes that Pune is on the path of growth in real sense. Not only it is known for the best education, it has now become the 'Employment Hub' as well. Because of high level education, today's women are getting the best job offers with high take home pay packages. It has become the present day need for working women in India to increase their wealth. As most of the women are low in financial literacy, it becomes hardly possible for them to manage their portfolios on their own. Also the risk bearing capacity of working women in India is low. This is due to lack of sound financial knowledge.

2. Dr. K. Malar Mathi and A. Kungumapriya, International Journal of Science and Research (IJSR) ISSN (Online): 2319-7064 Impact Factor (2012): 3.358 Volume 3 Issue 7, July 2014, Conclusion The availability of quality financial services in rural areas is extremely important for the growth of the economy as this will enable the large number of rural households to fund the growth of their livelihoods. The growth of the economy is dependent on the growth of the rural market in the country. Therefore greater financial inclusion in these segments is imperative. Lack of financial help stunts the growth of many rural micro-enterprises and force people to migrate to urban areas in search of jobs. Timely and affordable financial support helps people sustain and grow their livelihoods.

3.K. Parimalakanthi and Dr.M. Ashok Kumar,” A Study on Investment Preference and behavior of Individual Investors in Coimbatore City” Bonfring International Journal of Industrial Engineering and Management Science, Vol. 5, No. 4, December 2015. The main objective of the study is the investment preference and behaviour of individual investors in Coimbatore city. The paper concludes that education of investors is immensely important for the present day investors in Coimbatore. Investors, before making investments, need to collect investment related information from the internet and consult with friends, peers and investment experts before making investments. The majority of the investors prefer to invest in savings account followed by Gold and Silver, Fixed deposit account and the like. The outcome of the research shows that most of the investors prefer bank deposits followed by investment in gold & silver investment in the study area.

RESEARCH METHODOLOGY

The research design is descriptive in nature where survey method is adopted to collect primary information from the investors using different scales as required for study. Both primary and secondary sources of data are utilized for the study. Primary data for the study is collected using a structured questionnaire and Secondary data was gathered from books, journals and websites. Sampling method used for the study is simple random sampling and sample size was limited to 50. The statistical tools applied for analysis of data include percentage analysis, and Likert scale which consists of a number of statements which express either a favorable or unfavorable attitude towards the given object to which respondents are asked to react.

ANALYSIS AND INTERPRETATION

1. PREFERENCE OF INVESTMENT AVENUE

Types Of Investment Instruments	No. Of Respondents	Percentage Of Respondents
Shares	18	36
Mutual Funds	20	40
Debentures	5	10
Bonds	5	10
Derivatives	2	4
Total	50	100

The table shows that 40% of the total respondents invest in Mutual funds; 36% invest in Shares and 10% invest in Debentures and 10% in bonds; only a small portion prefers derivatives. Thus, it can be stated that maximum people invest in Mutual funds as well as in shares because they want safety to their investment amount along with fair amount of returns

2. REASON BEHIND THE CHOICE OF INVESTMENT

INVESTMENT FACTORS	NO: OF RESPONDENTS	PERCENTAGE
Capital appreciation	15	30
Return on investment	12	24
Risk	7	14
Maturity	3	6
Liquidity	10	20
Tax benefits	3	6
TOTAL	50	100

From the survey it was found that the maximum respondents considered capital appreciation as the most important factor, 24% respondents considered return on investment as an important factor and 14% respondents considered risk as an important factor. It can be stated that majority of investors were consider return as an important factor while investing. For every investor a minimum expectation level is visible

3. THE FACTORS INFLUENCING INVESTMENT CHOICE

SOURCES	NO. OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Brokerage houses	23	46
Friends and relatives	16	32
Advertisements	3	6
others	8	16
total	50	100

It was found that multiple aspects for investing influenced respondents. 46% of the respondents' takes investment decision on the basis of information provided by the brokerage houses. 32% of the respondents are influenced by their friends and relatives. 6% are influenced by advertisements and around 16% are motivated by some other factors like media, self awareness, seminars etc... The above table indicates that most of the respondents are influenced by brokers and friends

4. RATE OF SATISFACTION LEVEL OF RESPONDENTS WITH RETURN GENERATED

	TYPE OF INVESTMENT	HIGHLY SATISFIED (5)	SATISFIED (4)	NEUTRAL (3)	DISSATISFIED (2)	HIGHLY DISSATISFIED (1)	SUMMATED SCORE
a.	Share	17	29	2	2	0	211
b.	Mutual funds	15	26	7	2	0	204
c.	Bonds	0	17	26	5	2	158
d.	Debenture	0	17	28	3	2	160
e.	Derivatives	0	12	30	5	3	151

RANGE

Max. Score, $50 \times 5 = 250$ (Highly Satisfied)

Avg. Score, $50 \times 3 = 150$ (Neutral)

Min. Score, $50 \times 1 = 50$ (Highly Dissatisfied)

Most of the respondents have given the highest summated score to shares. And the second most important investment option is mutual fund which provides maximum return. Other important factor is debenture which has the summated score 160. Return on derivatives gets the

summed 151score. Thus it is revealed that returns are maximized through share as an investment choice. It is a means of investment providing high risk and return.

5.SATISFACTION LEVEL OF INVESTORS

	PARTICULARS	HIGLY SATISF	SATISFIED	NEUTRAL	DISSATISFIED	HIGHLY DISSATISFIED	SUMMATED SCORE
a.	Capital appreciation	30	15	5	0	0	225
b.	Return on investment	20	20	10	0	0	210
c.	Risk	15	17	10	5	3	186
d.	Maturity period	10	15	15	5	5	170
e.	liquidity	10	15	18	4	3	175
f.	Tax benefits	9	9	20	9	3	162

Most of the respondents have given the highest summated score to capital appreciation. And the second most important factor is return on investment which influenced the decision regarding investment. Other important factor is risk tolerance and liquidity which has the summated score of 186 and 175 respectively. The above ranking technique reveals that appreciation value has got the first rank among the various reasons.

FINDINGS

Following are the important findings from the data analysis

- Majority of the respondents belong to middle age groups (30-40 and 41-50). And data shows that male investors are more enthusiastic than females in share investment. And the selected respondents were well qualified. Most of them were graduates and post graduates.
- Maximum investors are aware of all the investment options. But most of them are more familiar with mutual funds and shares. Investors do not invest in a single avenue. They prefer different avenues and maximum investors prefer to invest in mutual funds, shares debentures and bonds.
- Percentage of income that they invest depend on their annual income, more the income more percentage of income they invest. Maximum investors' wants their investment grow at an average rate rather than at a faster rate. It seems investors are more realistic and sustainable.
- Maximum investors invest occasionally only and majority of investors are preferred to invest in long term avenues than short term avenues. On analyzing the attitude of investors' reaction in case stock market drops, maximum investors would choose to wait to see if market improves.
- The investment decision of investors is more influenced by the information provided by the brokerage houses, their own decision & through friends' relatives.

- Different factors considered by investors while investing are return, risk, tax benefits, capital appreciation and the most prominent factor is the capital appreciation and return on investment.
- The investors investing in different avenues are highly satisfied with the return generated by their investment option. Shares and mutual funds provide higher satisfaction level as compared to others.
- Most of the respondents have given the highest summated score to Capital appreciation. And the second most important factor is Return on investment which influenced the decision regarding investment.

CONCLUSION

The study titled A STUDY ON INVESTORS' ATTITUDE AND PREFERENCE TOWARDS STOCKMARKET INVESTMENTS WITH SPECIAL REFERENCE TO LSGD EMPLOYEES IN CALICUT shows that the investor's nature of investment differs from individual to individual and is unique to each one because it depends on various parameters like future financial goals, the present & the future income model, capacity to bear the risk, the present requirements and lot more. It has been observed that only Minimum investors are aware of all the investment options available. As per the study investors attitude towards selection of certain investment avenue is based on demographic factors as well as the satisfaction obtained from the preferred investment motive.

Moreover, the individual investor still prefers to invest in financial products which give risk free returns. This confirms that investors even if they are of high income, well educated, salaried, independent are conservative investors prefer to play safe. As far as the factors influencing investment decision are concerned capital appreciation and return potential have been perceived to be most attractive by the investors.

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