

A Study On Corporate Valuation On Selected Indian Firms

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Abstract

Corporate valuation/business valuation is the process of determining the economic worth of the company based on its business model and external environment and suppurate with reasons and empirical evidence. Valuation is the process of determining the economic value of a business or a company which reflects the performance of the company both its past performance as well as expectation of its future performance. Valuation is used by financial market participants to determine the price they are willing to buy or sell to the effect of sale of business. To study the intrinsic value of the firm's equity and compare the calculation of intrinsic value with their corresponding market values. The data is analyzed by using financial models like discounted cash flow method, Dividend growth model applied for rubber tyre companies and done comparative studies. The intrinsic value of the firm's equity compared to the market value. This paper is expected to reveal that how the Indian companies tend to reward better value to the shareholders that are measures the corporate valuation and encourages regulators to initiate further timely reforms to build a strong relationship between those who run the company and the stakeholders.

KEY WORDS: corporate valuation, DCF,FCF, FCFE, Intrinsic value, Market value

INTRODUCTION

Corporate valuation or business valuation is procedure of deciding the “financial worth” of organisation taking into account plan of action and outer environment and suppurate with reasons and experiential confirmation.Valuation has been esteeming organization might take administration the pieces of its capital structure, prospect of future earning and market estimation of advantage.“Corporate valuation is a process and set of procedures used to estimate the economic values of owner’s interest in a business. Valuation is used by financial market participants to determine the price they are willing to buy or sell to effect a sale of a business”

Corporate valuation depend up on

1. Purposes of valuation

Valuation basically made because to now company performance and were it stand in the externally environment valuation will help to know company coming out with true value that is intrinsic value were the actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of tangible and intangible factors. The value may or may not be the same compare to market value.

2. Stage of business valuation

- Finding out what your business worth.
- Understanding areas in which your business might need to improve before officially putting it on the market.
- Measure the marketplace at a relatively under or over value rate.
- Reduce risk make sure any internal valuation have to measure they accurate in valuation.

3. Past financials

In valuation were a measures the company past financial statement can help to project for the future purpose of the company growth. In this valuation past financial date will use for company management, owner, stakeholder, shareholder, investor, creditors, government were this people can easy now company performance it may help to invest to the particular company.

4. Expected Financial result

Financial statement is records out line of financial activates of a business, an individual or

any other entity. In valuation the company or individual can easily now they performance it always show whether the company is in profit or loss Expected financial result will always they expect huge profit for company.

The methods which have been used discounted free cash flow model are frequently used in corporate valuation.

Discounted cash flow (DCF):

In Discounted Free Cash Flow They have Two Approach. 1.Measuring DCF to Firm, 2. Measuring DCF to Equity, 3.Discounted Free Cash Flow to Firm, 4. Discounted Free Cash Flow for Equity

RESEARCH OBJECTIVE:

The following are the Objectives of the Study

1. To determine the value of selected Indian firms using FCFF and FCFE model.
2. To determine the Intrinsic Value of the Selected firms and compare the same with Market Prices.

RESEARCH METHODOLOGY:

- Type of research : Descriptive study
- Time period of study: 5 years financial statement
- Type of data to be used and its source: Secondary data.
- Statistical tests/financial models to be used: Discounted cash flow method and Dividend growth model.

REVIEW OF LITERATURE:

1. **Olsson and Oswald (2000):** According to this researcher was the research as used both the model dividend growth model and discounted free cash flow model .more accurate firm most likely due to the use of different assumptions. This method of DGM and DFCF were they give different valuation consistency and logical forms.
- **Gentry et al (2003):** According to this researcher were the research provides an integrated valuation system (IVS) that includes in academics or any other who want to profession any change in firm's financial strategy and the effect of changing in whole value of stock. Even they can include or introduce theoretical with condition when the dividend discounted model (DDM) will measure are equal to the discounted cash flow model (DCF) estimation.
- **Juethner nauroth (2005):** According to this researcher was the research the dividend discounted model dividend are irrelevance. They will always deviation dividend will equivalence in this model based on expected earning and expected in growth rate.
- **Walid Saleh et al (2008):** According to this researcher was the research as this valuation models under different situation measuring the cost of equity and growth rate into analysis and comparing the actual marketing price with measuring the intrinsic value. Dividend discounted method and the cash flow method are different intrinsic value of the firm.

ANALYSIS

Analysis as base on AAL with reference to other selected company.

Table 1-Showing the discounted Free Cash Flows to Equity for the selected Indian Companies from the year 2011 to 2015

AUTOMOTIVE AXLES LIMITED					
Year	CFO(A)	CAPEX(B)	A-B	NET BORROWINGS	FCFE
2011	720.76	390.39	330.4	-91.185	239.18
2012	939.05	696.68	242.4	-62.99	179.38
2013	538.6	249	289.6	-45.04	244.56
2014	58.06	306.33	-248.3	408.14	159.87
2015	917.08	192.59	192.6	-613.5	110.99

RANE MADRAS LIMITED					CRORES
Year	CFO(A)	CAPEX(B)	A-B	NETBORROWINGS	FCFE
2011	341.8	589.3	-247.5	11.16	-236.34
2012	201.5	419.3	-217.8	11.93	-205.87
2013	703.7	302.4	401.3	9.87	411.17
2014	451.5	427.8	23.7	2.5	26.2
2015	670.9	852.5	-181.6	25.73	-155.87

HINDUSTAN HARDY SPICER LIMITED					crores
Year	CFO(A)	CAPEX(B)	A-B	NETBORROWINGS	FCFE
2011	17.158	10.713	6.445	11.68	18.125
2012	39.447	9.291	30.156	51.96	82.116
2013	19.953	22.919	-2.966	82.74	79.774
2014	11.901	52.53	-40.629	-51.3	-91.929
2015	23.608	11.826	11.782	-81.78	-69.998

Particular	2011	2012	2013	2014	2015
Automotive Axles Limited	239.18	176.38	244.56	159.87	110.99
Rane Madras Limited	-236.34	-205.87	411.17	26.2	-155.87
Hindustan Hardly Spices Limited	18.125	82.116	79.774	-91.929	-69.998

Interpretation

The above table and graph show the free cash flow to the Equity for the selected three companies from the year 2011 to 2015. It's been observed that the FCFF was Rs. 239.18crores for Automotive Axles Ltd during 2011 and for the year 2015 it was found at Rs. 110.99 crores. The FCFF to Rane Madras was at Rs. -236.34 crores in 2011 and in 2015 it was -155.87 crores. However, it was found that the higher FCFF was Rs. 411.17 crores during 2013. For Hindustan Hardly Spices Ltd the highest FCFF was found during 2012 at 82.116crores and the lower FCFF was found 2014 at -91.929 and during 2015 also -69.998 crores.

Table 2-Showing the Discounted Free Cash Flows for the selected Indian Companies from the year 2011 to 2015 of GROWTH RATE.

ATOMOTIVE AXLES LIMITED			
Year	RETENCE RATIO	RETURN ON EQUITY	GROWTH RATE
2011	73.74	23.6	17.40264
2012	66.43	4.52	3.002636

2013	76.19	6.17	4.700923
2104	79.21	3.48	2.756508
2015	85.66	3.48	2.980968

RANE MADRAS LIMITED			
Year	RETENCE RATIO	RETURN ON EQUITY	GROWTH RATE
201	71.06	24.92	17.708152
2012	64.78	23.81	15.424118
2013	69.64	18	12.5352
2104	65.55	11.96	7.83978
2015	61.97	8.54	5.292238

HINDUSTAN HARDY SPICER LIMITED			
Year	RETENCE RATIO	RETURN ON EQUITY	GROWTH RATE
2011	17.58	6.52	1.146216
2012	49.14	16.43	8.073702
2013	48.83	9.42	4.599786
2104	46.78	8.76	4.097928
2015	100	0	0

PARTICULAR	2011	2012	2013	2014	2015
Automotive Axles limited	17.40	11.01	3.44	4.88	2.98
Rane Madres limited	17.75	15.6	12.53	7.83	5.80
Hindustan Hardy Spicer limited	1.14	8.07	4.59	4.09	0.00

Interpretation

The above table and graph show the growth rate of the selected three companies from the year 2011 to 2015. It's been observed that the Automotive Axles Ltd growth rate during 2011 is 17.40 more and for the year 2015, 2.90. The Rane Madras growth rate more compare to other company from 2011. It has 17.75 it has been increase but in 2015 it has 5.80 been both Company has never shown any negative growth rate. Hindustan hardly Spicer limited growth rate were less in 2011 it has 1.14 and it has been decline in growth rate in 2015 it has shown 0.00 growth rate which means is no growth for particular year.

Table 3- Showing the Free Cash Flows for Equity for the selected Indian Companies from the year 2011 to 2015. When they is CONSTANT GROWTH

ATOMOTIVE AXLES LIMITED				Crores
Year	FCEE (A)	r (Ke) (B)	growth	Value
2011	239.18	11.40	17.40264	(3.985.47)
2012	179.38	(18.24)	3.002636	(844.28)
2013	244.56	9.23	4.700923	5.398.26
2104	159.87	21.50	2.756508	852.83
2015	110.99	34.19	2.980968	355.60

RANE MADRAS LIMITED				crores
Year	FCFE (A)	r (Ke) (B)	Growth (c)	Value (A/(B-C))
2011	-236.34	9.22	17.70815	2783.04
2012	-205.87	(14.69)	15.42412	683.73

2013	411.17	8.70	12.5352	-10731.90
2104	26.2	22.47	7.83978	179.07
2015	-155.87	36.69	5.292238	-496.38

HINDUSTAN HARDY SPICER LIMITED				crores
Year	FCFE (A)	r (Ke) (B)	Growth (c)	Value (A/(B-C))
2011	18.125	8.43	1.146216	248.93
2012	82.116	(11.23)	8.073702	-425.45
2013	79.774	8.53	4.599786	2027.84
2104	-91.929	15.20	4.097928	-828.13
2015	-69.998	26.63	0	-262.83

Particular	2011	2012	2013	2014	2015
Automotive Axles Limited	-3985.44	-844.28	5398.26	852.83	355.61
Rane Madras limited	2769.39	683.73	-10731.90	179.07	-496.38
Hindustan Hardy Spices Limited	248.93	-425.45	2027.84	-828.13	-262.83

Interpretation

The above table and graph show the free cash flow to the equity for the selected three companies from the year 2011 to 2015. The AAL company were from 2011 as went into negative growth rate – 3985.44 and even 2012 in the 2015 were company has positive cash flow of 355.61 crores. Rane Madras company were the cash flow from 2011 to 2015 RMD company in 2011 they 2,769.39, 2013 RMB company as went to negative cash out flow on particular-10,731.90 and then 2015 RMD as when into negative cash flow -449.62 however the Hindustan hardy Spicer limited FCFE form 2011 to 2015 were 2011 the company as 248.93 and in 2014 and 2015 were the company has negative cash flow of -828.13 and -262.83 compare to the three firm were 2015 AAL company has positive cash flow of 355.61 crores.

Table 4- Showing the Free Cash Flows for firm Automotive Axles Limited for 2011 to 2015 will remain

Year	FCFF	WACC	Ke	Growth Rate	Rf
2011	373.36	12.82	11.40	17.40	5.81
2012	305.61	(12.61)	(18.24)	11.02	8.15
2013	345.42	7.86	9.23	3.44	8.06
2014	(316.54)	16.54	21.50	4.89	8.34
2015	752.14	24.65	34.19	2.98	9.06
Average	292.00	9.85	11.62	7.95	7.88

Table 5-Showing the Estimated FCFF, Present Values of FCFF and the Value of Automotive Axles Limited as on 2015.

Free Cash Flow Method			
Year	Estimated FCFF	PVIF	PV
2016	315.21	0.9103	286.95
2017	340.27	0.8287	281.98
2018	367.32	0.7544	277.11
2019	396.52	0.6868	272.31

2020	428.05	0.6252	267.60
TV	1,857.66	0.6252	1,161.36
Value of the Firm			2,547.31

Interpretation

The above table and show the free cash flow to firm were Automotive Axles Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of firm in 2015 is 2547.31 crores.

Table 6- Showing the Free Cash Flows for Equity Automotive Axles Limited for 2011 to 2015 will remain

Year	FCFE	Ke	Growth Rate
2011	239.18	11.40	17.40
2012	176.38	(18.24)	11.02
2013	244.56	9.23	3.44
2014	159.87	21.50	4.89
2015	110.99	34.19	2.98
Average	186.20	11.62	7.95

Table 7-Showing the Estimated FCFE, Present Values of FCFE and the Value of Automotive Axles Limited as on 2015.

Free Cash Flow Method			
Year	Estimated FCFE	PVIF	PV
2016	201.00	0.8959	180.07
2017	216.98	0.8026	174.15
2018	234.23	0.7191	168.43
2019	252.85	0.6442	162.89
2020	272.95	0.5772	157.53
TV	1,184.56	0.5772	683.67
Value of the Equity			1,526.75

Interpretation

The above table and show the free cash flow for equity were Automotive Axles Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of firm in 2015 is 1526.75 crores.

Table 8- Showing the Free Cash Flows for Firm Rane Madres Limited for 2011 to 2015 will remain.

Year	FCFF	WACC	Ke	Growth Rate	Rf	DD
2011	(204.03)	6.89	9.22	17.75	5.81	7
2012	(124.24)	6.47	(14.69)	15.60	8.15	9.5
2013	488.92	9.47	8.70	12.54	8.06	7
2014	141.44	10.32	22.47	7.84	8.34	5.5
2015	(53.51)	9.27	36.69	5.80	9.06	4.5
Average	49.72	8.48	12.48	11.91	7.88	6.70

Table 9 - Showing the Estimated FCFE, Present Values of FCFE and the Value of Rane Madres Limited as on 2015.

Free Cash Flow Method			
Year	Estimated FCFF	PVIF	PV
2016	55.64	0.9218	51.29
2017	62.26	0.8497	52.90
2018	69.68	0.7832	54.58
2019	77.98	0.7220	56.30
2020	87.27	0.6655	58.08
TV	344.45	0.6655	229.23
Value of the Firm			502.37

Interpretation

The above table and show the free cash flow for firm were RANE MADRAS Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of firm in 2015 is 502.37crores.

Table 10- Showing the Free Cash Flows for Equity Rane Madres Limited for 2011 to 2015 will remain.

Year	FCFE	Ke	Growth Rate
2011	-236.34	9.22	17.75
2012	-205.87	(14.69)	15.60
2013	411.17	8.70	12.54
2014	26.2	22.47	7.84
2015	-155.87	36.69	5.80
Average	(32.14)	12.48	11.91

Table 11-Showing the Estimated FCFE, Present Values of FCFE and the Value of Rane Madres Limited as on 2015

Free Cash Flow Method			
Year	Estimated FCFF	PVIF	PV
2016	55.64	0.9218	51.29
2017	62.26	0.8497	52.90
2018	69.68	0.7832	54.58
2019	77.98	0.7220	56.30
2020	87.27	0.6655	58.08
TV	344.45	0.6655	229.23
Value of the Firm			502.37
Less - Market Value of Debt			50.96
Equity Value			451.41

Interpretation

The above table and show the free cash flow for equity were Rane Madras Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of equity but we have reduced in firm value by taking debt to know equity value in 2015 is 451.41crores.

Table4 12- Showing the Free Cash Flows for Firm Hindustan Hardy Spicer Limited for 2011 to 2015 will remain.

Year	FCFF (Cr)	WACC (%)	Growth Rate (%)	Dividend	Ke	Rf
2011	10.75	12.55	1.15	3.00	8.43	5.81
2012	36.76	9.34	8.07	5.00	(11.23)	8.15
2013	4.53	11.38	4.60	3.00	8.53	8.06
2014	(33.34)	10.40	4.10	3.00	15.20	8.34
2015	20.69	12.39	-	3.00	26.63	9.06
Average	7.88	11.21	3.58	3.40	9.51	7.88

Table-Showing the Estimated FCFF, Present Values of FCFE and the Value of Rane Madres Limited as on 2015

Free Cash Flow Method			
Year	Estimated FCFF	PVIF	PV
2016	8.16	0.8992	7.34
2017	8.45	0.8086	6.84
2018	8.76	0.7271	6.37
2019	9.07	0.6538	5.93
2020	9.39	0.5879	5.52
TV	58.31	0.5879	34.28
Value of the Firm			66.27

Interpretation

The above table and show the free cash flow for firm were Hindustan Hardy Spicer Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of firm in 2015 is 66.27 crores.

Table 13- Showing the Free Cash Equity for Firm Hindustan Hardy Spicer Limited for 2011 to 2015 will remain.

Year	FCFF (Crores)	WACC (%)	Growth Rate (%)	Dividend	Ke	Rf
2011	18.125	12.55	1.15	3.00	8.43	5.81
2012	82.116	9.34	8.07	5.00	(11.23)	8.15
2013	79.774	11.38	4.60	3.00	8.53	8.06
2014	-91.929	10.40	4.10	3.00	15.20	8.34
2015	-69.998	12.39	-	3.00	26.63	9.06
Average	3.62	11.21	3.58	3.40	9.51	7.88

Table 13.1-Showing the Estimated FCFE, Present Values of FCFE and the Value of Rane Madres Limited as on 2015

Free Cash Flow Method			
Year	Estimated FCFE	PVIF	PV
2016	3.75	0.9132	3.42
2017	3.88	0.8339	3.24
2018	4.02	0.7614	3.06
2019	4.16	0.6953	2.90
2020	4.31	0.6349	2.74
TV	4.47	0.6349	2.84
Value of the Firm			18.19

Interpretation

The above table and show the free cash flow for Equity were Hindustan Hardy Spicer Limited we have estimated to calculate present value of Equity were taken average and predicted for 5 years. To know the value of firm in 2015 is 18.91 crores.

Table 14-Showing Intrinsic value and Market value per/share for selected company as on 31st march 2015 cash flow model.

Company	Intrinsic Value	Market Value	Deviation	Overvalued/Under Valued
Automotive Axles Limited	1,010.29	827.25	183.04	Undervalued
Rane Madras limited	474.46	314.44	160.02	Undervalued
Hindustan Hardy Spicer Limited	121.39	102.00	19.39	Undervalued

Interpretation

The above tables were company of AAL as the intrinsic value is 1010.29cr and market value which has been trading on 2015 is 827.25cr they is a deviation is 183.04cr only. The Automotive Axles Limited is undervalued. Rane Madras Company Limited Intrinsic value 474.46cr and market value 314.44cr then deviation is 160.02cr comparing Rane Madras Limited Intrinsic and Market Value is where RML is undervalued. Hindustan Hardy Spicer Limited Intrinsic value 121.39cr and market value 102cr the deviation is 19.39cr.comparing HHSL is undervalued.

FINDINGS

- 1) The using DCF models were Automotive Axles Limited has the better cash flow in firm and equity compare to the Rani Madras and Hindustan Hardy Spicer Limited.
- 2) We have used different model when they is no growth rate compare of the selected firm RML and HHSL and equity cash flow of AAL company has 324.60 crores compare to last year it was 743.50
- 3) In constant growth rate of Automotive Axles Limited as firm were 334.5cr and for equity were 355.61 compare Rane Madres Limited and Hindustan Hardy Spicer Limited.
- 4) We have taken the growth rate were the AAL company have low growth of 2.98% compare to Rane Madras Limited.
- 5) The finding of present value FCFE and FCFE were for firm which as calculated for future to now PV factor 2547.31 crores and for equity 1526.75 crores AAL company as more compare to other company RML and HHSL
- 6) Intrinsic value of company AAL has 1010.29 crores other company and market value of the less then intrinsic value.
- 7) The three companies is undervalued but deviation is only AAL company as high rate which expectation of company is more compare to trading value.

SUGGESTION:

- 1) Compare to Rane madras and Hindustan hardy Spicer limited automotive axles is good in attracting funds so, it need to concentrate on retaining and increasing its customers and make utilize of its funds generated.
- 2) As maximum of ₹244/- crores is distributed to equity shareholders, company can make utilize part of it towards its growth.
- 3) AAL need to balance retention ratio and growth of a company by proper utilization of its saved earnings or retained earnings.
- 4) Automotive axles limited suggested not maintaining constant growth as it results in negative value of the company in market.
- 5) It is necessary for company to increase its growth level and generate positive values, as compared firms are performing well in the market.
- 6) As per estimated free cash flow company has good value or growths by the year end of 2020 so, company need to work on that.
- 7) As company have more funds available it can make utilize of it towards expansion of areas in production, maintain experts for internal process and produce as per customer's

requirement and retain them.

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Strategies For the development of Smart city- Information Technology(I.T),Electronic& e-Governance in A.P

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ABSTRACT

A leadership position in developing the I.T Electronic& e-Governance. To develop Andhra Pradesh as a knowledge society of global repute, with a focus on enhancing the quality of life of its citizens, through high-quality education and healthcare, increased productivity in agriculture and allied activities, creation of requisite employment potential by promoting electronics and IT industries, and above all, by providing good governance. Policies and Frameworks play a key role in helping the State realize the long-term vision. These policies have to be considered and notified, preferably together or in close succession, so as to give a holistic picture of what the State wants to achieve and how. Accordingly, a set of 18 policies and frameworks have been suggested to realize the vision. The objectives, benefits and approach of each policy have been provided at a high-level.

INTRODUCTION:

Present study is to analyze the importance of I.T, Electronic & e-Governance, also suggest's the ways for strengthening and enhancing the quality of life to its citizens through high quality education and health care, increased productivity in agriculture and allied activities, creation of requisite employment potential by promoting electronics and I.T industries, above all for providing good governance of Andhra Pradesh. The residual State of Andhra Pradesh, formed on 2nd June, 2014, has many challenges confronting it. The new State of AP has to be practically re-imagined and reconstructed in a planned manner, if the hopes and aspirations of its people have to be fulfilled. The combined State of AP had taken a leadership position in e-Governance and IT. However, the statistics for IT units registered with STPI show that the new State accounts for only 2.05% of the IT Exports of the combined State and 1.83% of employment. The performance of e-Government is quite satisfactory, with 50% of e-transactions occurring in each State. IT and Electronics sectors are going to be among the important growth engines of the State, given the advantage in terms of manpower and entrepreneurship available in the region. Besides this, e-Government and e-Governance are going to play a pivotal role in establishing the promised good Governance. This blueprint identifies the key determinants of successful growth in the IT and Electronics sectors and promotion of good Governance. To explore the potential for establishing electronic manufacturing units and prepare proposals for 10 Electronic Manufacturing Clusters in the State (the number is indicative). Design blueprints for establishing the Mega IT Hub and the smaller IT hubs at carefully selected locations. To design a plan for marketing the 'Advantage AP' brand among top players in IT and Electronics Manufacturing sector globally and create the roadmap to attract investments into the Electronics sector to the tune of US\$ 5 billion by 2017 and US\$ 10 billion by 2020, and into the IT sector to the tune of US\$ 2 billion by 2018 and US\$ 5 billion by 2020.

Objectives of the study:

1. To study the IT and Electronics in Andhra Pradesh.
2. To examine the policies and frame work in Andhra Pradesh.

ROLE OF e-GOVERNANCE, ELECTRONICS & IT:

providing good Governance, a corruption-free administration, creation of jobs, attracting investments, creation of excellent infrastructure (like power, airports, ports, highways, urban transportation systems) and social sector infrastructure (like educational institutions, hospitals and housing projects), establishing smart cities and construction of a capital city of international class, are among the top of the agenda of the new Government.

e-Governance: on the other hand envisages 'more contact' between government and the citizens. We are witnessing the phenomenal rise of Social Media as an effective platform, not only for social networking between groups of people, but also as a real-time channel for expressing public opinion on any matter of public importance, ventilating resentment against injustice or lack of probity in public life, besides running several types of campaigns that need mass contact with the public. Just as the Social Media has shaped up as a powerful instrument in the hands of the citizens for such purposes, Governments can as well take advantage of these media in a variety of ways for establishing a

participative Governance or e-Governance, which was, a decade ago, only a theoretical concept. E-Governance is a powerful idea whose time has come now. While GoI had, in 2012, come up with a policy on the use of Social Media by Government departments, we have seen very little use of it so far. The leadership shown by the Hon'ble Prime Minister in this regard is a significant pointer to the shape of things to come. We need to establish quickly, a framework and a platform, preferably in a public-private-partnership mode, for realizing the dream of e-Governance or a participatory Governance.

Electronics:

Detailed surveys done by GoI have revealed that the demand for electronic products in the Country would be increasing significantly to about US\$ 320 billion by 2020. Out of the current annual demand of US\$ 80 billion, over 92 % of the products are either imported or assembled from imported components. This situation calls for drastic steps to be taken to boost the domestic manufacturing of electronics if we want to avoid excessive drain on the foreign exchange reserves and more importantly, avoid near total dependence on imports even for meeting the requirements of our most strategic sectors like defense, space, atomic energy, power, telecom, banking and e-Governance. Realizing this, GoI has come out with a comprehensive National Electronics Policy 2012 (NEP 2012), along with a number of schemes to implement the same. Besides addressing the aforesaid strategic and economic needs, the NEP also envisages creation of an employment potential of 28 million by 2020. AP has all the factors conducive to the development of the electronics sector, most importantly, the talented manpower. It is absolutely essential for AP to participate actively in this national movement.

IT Industry:

Andhra Pradesh has been a pioneer in promoting the IT industry during the late 90s and the early part of this century. Hyderabad has become one of the most attractive destinations for IT/ITES industry globally. While some efforts have been made to promote tier-II cities like Visakhapatnam, Vijayawada, Tirupati, Warangal and Kakinada, the progress in that direction has not been significant. The new State of AP has to exploit its core strengths to quickly promote and develop the IT industry. Some of the core strengths are the availability of highly skilled manpower of this region working in different parts of the Country and the globe, a significant population of NRIs showing keen interest in relocating and/or contributing to the growth of the industry, potential for highly talented youth to establish start-ups and thereby to innovate and to create wealth and employment. All this requires formulation of conducive policies that facilitate and incentivize such reconstruction efforts. A close liaison with the industry, especially NASSCOM, is quite essential in this regard. If properly articulated, marketed and implemented, a new and vibrant IT policy can make a huge difference not only to the growth of the industry, but to the creation of huge employment in the new State.

POLICIES & FRAMEWORKS:

number of conducive policies and simple About effective frameworks have to be put in place, almost as the first step in the direction of realizing the vision. Well-designed policies serve multiple purposes like setting out the intention of the Government clearly to all the stakeholders, enabling to define the responsibilities of the administrative machinery to realize the vision, paving the way for formulation of schemes required to implement the policies, facilitate the allocation of resources to the line departments and agencies, and, importantly, create the environment for transparent decision-making. Frameworks enable a structured approach to implementation, besides uniformity of understanding amongst the various agencies enjoined to implement the policies. With the above in mind, a set of 18 policies and frameworks have been identified and briefly described below, to realize the vision and goals stated in section (3) above. They are grouped under the broad heads of

- (i) e-Governance
- (ii) (ii) Electronics
- (iii) (iii) IT Industry and (iv) Supporting policies / frameworks.

CONCLUSION:

AP deserves to be called the Sunrise State of India. Literally, it has India's longest Eastern coastline of over 1000 km. More relevantly, it consists of a combination of factors conducive to high growth and accelerated development, like highly talented technical manpower, enterprising population and a dynamic new leadership. These offer immense opportunities for investing in the growth, development and resurgence of a new State. To develop Andhra Pradesh as a knowledge society of global repute, with a focus on enhancing the quality of life of its citizens, through high-quality education and healthcare, increased productivity in agriculture and allied activities, creation of requisite employment potential by promoting electronics and IT industries, and above all, by providing good governance. Citizen engagement is an essential element of all democratic processes. While the spirit of the 73rd Amendment to the Constitution envisaged participation through the PRIs, it has been found to be not so effective, as the participation of the citizen is indirect and limited. Citizen engagement goes beyond the process of consultation. Unlike the latter, the former is a two-way process, where citizens can

actively participate in policy formulation and implementation, rather than merely articulating their opinions. Citizen engagement is not a one-time activity like consultation but is a continuous process spanning the full life cycle of policy formulation and implementation.

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A Study On Work-Life Balance Practices In Top Indian It Companies

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ABSTRACT

Technology is reshaping everything around us – businesses, consumers, countries – creating opportunities that never existed before. India is no exception and has witnessed an unprecedented growth in the field of Information Technology. This sector has emerged as one of the largest employers in the country. At the same time, the industry is characterized by high attrition rate, low employee commitment level and stressful nature of job. One among the prime cause for this is work-life imbalance. Thus, the IT industry needs to be flexible enough to develop commitment and talent in their workforce. They need to adopt a strategy to improve the employees 'Work-life balance' to satisfy both the organizational objectives and employee needs. This paper aims to investigate factors affecting work-life balance, and work-life balance practices followed by some leading Indian IT companies.

Key words:, Work-life balance- Employees- Information & Technology, TCS, Wipro, Infosys

INTRODUCTION

Digital technology has revolutionized the world as never before. In the global scenario it undergoes transformation with undreamt rapidity. India is no exception and has witnessed an unprecedented growth in the field of Information Technology. Indian IT industry has been increasingly contributing to the domestic economy over the years. The information technology sector has been growing at compounded annual growth rate of 17 per cent during the last five years (2007-12) and the contribution by the IT sector in India's GDP has increased from 1.2 per cent in 1998 to 8 per cent in 2013 (NASSCOM). At the same time, this sector is estimated to aggregate revenue of USD 108 billion in FY2013, with export touching USD 75.8 billion, growing at 10.2%. During this period, direct employment is expected to reach nearly 3 million, an additional of 188,300 employees, while indirect job creation is estimated at 9.5 million (NASSCOM). It can be visualized from the above statistics that IT industry in India has been flourishing and contributing significantly to the country's economy. The entire credit for the success and growth of IT industry goes to its knowledge workers. Despite of its high growth rate, the industry is characterized by high attrition rate, low employee commitment level and stressful nature of job. The companies' failure to implement effective and efficient work-life balance practices is one among the prime culprit for this. Similarly, contemporary demographic changes such as increasing number of women in the workforce, dual career and nuclear families have generated an urgent need of employees to balance work and non-work life. Changes in the markets, ways of working, and labour market conditions have put tremendous pressure on all organizations in general and IT companies in particular to stay competitive and consequently, organizations have put increasing pressure on their employees to deliver the best. It is now accepted that internally motivated people give their best and are also more productive than their counterparts. A healthy balance between professional and personal life is crucial and a matter of strategic concern to the employers as well as employees.

Work-life balance is an issue not just for individuals but for employers, the market, the state and society as a whole. To move from a single bread earner family model to one where both parents participate in paid employment has made it increasingly difficult to raise children while the work place continues to be molded on male bread earner workers.

Work-life balance is the proper prioritizing between "work" (career and ambition) on one hand and "life" (pleasure, leisure, family and spiritual development) on the other. Related, though broader, terms include "lifestyle balance" and "life balance". There is a large individual component in that meaning includes each individual's needs, experiences, and goals, define the balance and there is not a one size which fits all solution. Also, what work-life balance does not mean is an equal balance in units of time between work and life. Work life balance has important consequences for employee attitudes towards their organizations as well as for the living of employees. A balance between work

and life is supposed to exist when there is proper functioning at work and also at home (Santhi T.S & Sundar, 2012). Work-life balance practices are those institutionalized, structural and procedural arrangements as well as formal and informal practices that enable individuals to easily manage the conflicting worlds of work and family lives (Osterman, 1995). Some common statutory policies are maternity benefits and discretionary policies are flexi-time, telecommuting and job sharing. Employee assistance programmes like counseling and stress management also fall under work-life balance practices (Perry-Smith & Blum, 2000).

A CONCEPTUAL PARADIGM OF WORK – LIFE BALANCE

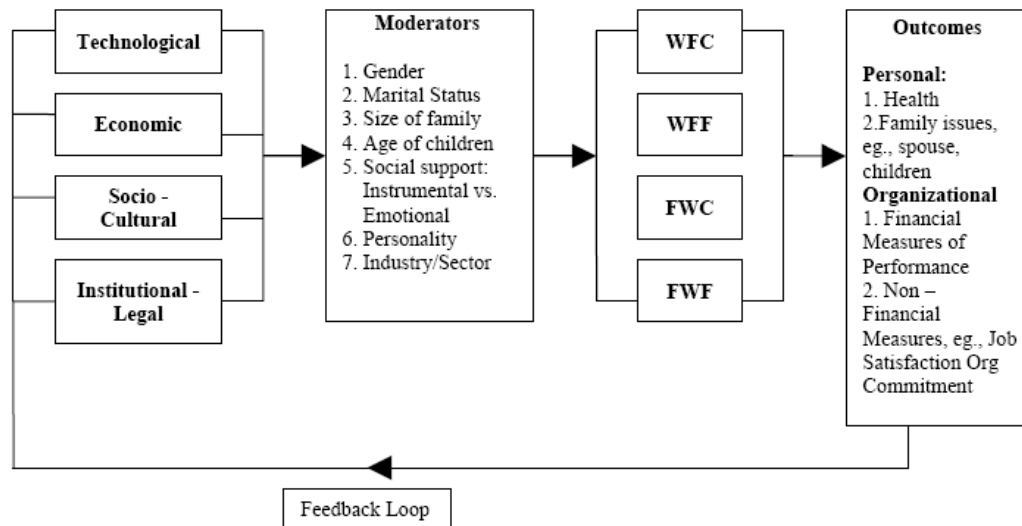


Fig 1: A Conceptual Paradigm of Work – Life Balance. Source – NHRD Network Journal, July 2009.

OBJECTIVES OF THE STUDY

1. The core objective of the study is to identify the factors that impact work-life balance in IT companies.
2. To identify policies, practices and programs offered by top IT companies with reference to work-life balance.

METHODOLOGY

The present research paper is mainly focus upon studying the work-life balance practices followed by top leading IT companies. The present study is totally based on secondary data and for this the library method is used. Data and statistics related to the IT industry and selected IT companies are gathered from the ASSOCHAM, Company Annual Reports, online and offline journals.

REVIEW OF LITERATURE

Thompson, (2002) classified work-life initiatives into five (5) categories namely, (1) Time-based strategies like flexi-time, telecommuting and job sharing; (2) Information-based strategies like relocation assistance, elder care resources, company work/life balance intranet; (3) Money-based strategies like leave with pay, scholarships for dependents; (4) Direct services like onsite childcare, concierge services and takeout dinners; and (5) Culture-change strategies like training or focus on employees' performance not office face time.

Hyman et al. (2004) observed that organizational pressures, combined with lack of work centrality, result in work intruding into non-work areas of employees' lives. Such intrusions often manifest themselves differently depending on the type of work, extent of autonomy and organizational support.

Ferrer & Gagne (2006) explored that the nature of industry/sector can also influence the work life balance. In general, the large companies and those in more modern/emerging sectors (such as information technology and IT-enabled industries in comparison to the older industries like mining and construction) typically adapt more family friendly policies that can moderate the level of tension between work and life/family.

Sekar N (2009) emphasized that a rising rupee and slowing US economy has forced a number of companies, especially in the IT and IT-enabled services sectors, to optimize existing capacities and

increase efficiency. All this has meant that employees are working harder at the expense of their personal lives to meet targets.

Jain (2009) highlighted the challenges faced by the modern day employer because of labour shortage of knowledge workers. In a period of increasing concern over skill shortages, it can also help an organization to become an 'employer of choice', enhancing its ability to recruit and retain employee. For instance, IT industry is facing revolutionary technological changes and many other crises. The most important challenge for organizations in the private sector is a conflict between work and life to the company's "bottom line".

Yasbek (2004) stated that to a large extent in the IT sector, the employee is expected to be engaged on the job almost at all times. So the traditional distinctions between work-life and family-life have disappeared. Even during selection of employees for an organization, emphasis is placed on the attitudes the person exhibits, more particularly, whether the employee is flexible enough to be available for work at any time.

Perry-Smith et al (2000) found that Software's developers are considered the key occupation to examine in future studies of „knowledge workers“. They are „vanguard“ of emerging work practices. Keeping in mind the long hours working culture and 24/7 support employees in the IT industry are the ones which suffer the most from work-life conflict. It was found that interference of work with personal life has a considerable impact on work-related attitude for this group of workers. They state that work-life boundary variables affect trust in the organization which plays a mediational role in these variables, relationship to job satisfaction and organizational commitment. Even though employees in the IT industry are unique in their direction, market oriented and not likely to show attachment to a single organization

Baral (2009) studied the scope and coverage of work-life balance practices in some of the leading organizations in India. Based on review of literature, empirical study and analyses of reports of newspaper articles, research suggests the Indian organizations have to do a lot to treat work-life balance practices as strategic aspect of organizational performance. Organizations offer a lot of benefits in the name of work-life balance. However they do not form an integral part of the company's policies. In knowledge centric organizations like IT and ITEs industries where women workforce participation is relatively higher, statutory policies such as maternity leave and benefits are common, while practices such as flexi-time, work from home and part-time work are still yet to pick up pace. Stress management workshops and training programs on work-life balance are being conducted by organizations as a part of the welfare provisions, but companies do not follow them as regular practices in most of the organizations. Research shows considerable difference between the responses of HR managers and employees. It was found that even though organizations had quite a few work-life balance programs their employees did not recognize so. This finding shows that HR managers have to put more efforts to properly and effectively communicate about the availability of different work-life balance practices in their respective organizations to their employees.

Galinsky et al (1991) stated that it is time to acknowledge and realize that work life balance practices are of value to all, which attract prospective employees and are tools for employee retention and motivation.

In the light of above literature survey it is very clear that a number of research works has been conducted in Indian and Western context on work-life balance. Most of the research highlighted that work-life imbalance is a prime reason for IT companies worries. However not much research survey has been conducted on work life balance practices of top IT Companies. Therefore the present study has been conducted to bridge the gap.

SCENARIO FOR INDIAN ORGANIZATION

Comparing with the past, in the present time one can see a noticeable difference in Indian organizations vision, philosophy, leadership style and people oriented HR interventions. Consequently, Indian organizations have started getting respect globally for its contribution to the digital world. HR practitioners are striving to experiment the existing policies and exploring other innovations to motivate and involve large number of employees. However, managing employee work-life balance has still not become a core strategic facet of people management practices in Indian organizations, which have the competitive advantage in terms of young talent in comparison to the west. This demands attention of the policy makers of every organization to tap available talent for superior performance.

Work-life balance has improved in 2012 compared with 2010 for all size companies, but it has taken a particular leap forwards in small companies where the index has grown 27 points. Though in

India the Work-life balance index has increased from 121 Index points in 2010 to 139 in 2012 (OECD), the number of IT companies having a better WLB practices has decreased to a greater extent. Table 1 provides ranking of companies in worldwide in terms of work-life balance. India's human capital advantage has been one of the prime reasons for the burgeoning growth of the IT sector. Post recession, this sector has seen tremendous growth and today the market has become extremely competitive. With other sectors also moving on a high growth trajectory, work-life imbalance has become one of the prime cause for high attrition rate in this sector. Information Technology Industry is the sun rising sector where long working hours and work overload are very common. Though most of the IT firms have five-days a week, the workload is going up. After the 2001-02 slumps, companies that downsized did not always hire more people after business picked up. This means that being called to work on weekends and 14-hour working days have become synonymous with the sector. There are also long intervals between projects when many software professionals are sent to training sessions to keep them occupied. They react to such breaks negatively, many feel that they are not competent enough or that their potential is not adequately used (Santhi T.S & Sundar, 2012).

Table 1: Work-Life Balance (WLB) Rating across Companies

Company Name	Rating of WLB
SAS Institute	4.5
National Instruments	4.3
Slalom Consulting	4.1
Mitre	4.1
Orbitz Worldwide	4.1
Scottrade	4.1
Mentor Graphics	4.1
FactSet	4.1
Agilent Technologies	4.1
Nokia	4.1
MathWorks	4.1
Autodesk	4
AOL	4
Citrix System	4
GlobalLogic	4
Yahoo	4
Tieto	4
Mastercard	3.9
Morningstar	3.9
Shell Oil	3.9
Robert Bosch	3.9
Chevron	3.9
REI	3.9
STMicroelectronics	3.9
NetApp	3.9

Source: Glassdoor.com (Glassdoor.com provides a free inside look at company ratings and reviews including employee satisfaction and CEO approval rating. All company reviews posted anonymously by employees).

Employer Ratings: 4.51 to 5.0= "Very Satisfied", 3.5 to 4.5= "Satisfied"

WLB PRACTICES TOP IT COMPANIES

India has gained a lot of interest as a source of software and has emerged as a leader in the software industry. Therefore there is more innovation conceiving work-life balance policies and practices in IT and IT-enabled companies because of the preponderance of gender balance and resultant increased awareness and concern about family responsibilities. The present paper made an attempt to study the work-life balance practices of three leading IT companies i.e., TCS, Wipro and Infosys. **1. Tata Consultancy Services**

TCS draws its strength from a highly engaged and motivated workforce, whose collective passion and commitment has helped the organization scale new heights. The Company has a diverse workforce of 2, 76,196 employees representing 118 nationalities. TCS provides its employees with the right environment to grow and achieve their career goals. TCS affords the employees with a sense of

certainty of a successful career that would be driven by boundless growth opportunities and exposure to cutting-edge technologies and learning possibilities. The work environment at TCS is built around the belief of growth beyond boundaries. Some of the critical elements that define its work culture are global exposure, cross-domain experience, and work-life balance. One among the value proposition that has been offered by TCS to their employees in order to develop employer brand is work-life balance. A part of its work-life balance programme, TCS has introduced '**Maitree**' which actively promotes a series of scheduled fun and cultural events and activities, and also keenly promotes community development projects. Maitree was started with an objective of bringing TCS associates and their families' closer and making them feel a part of the TCS extended family. Soon after, with a view to carry on the TATA tradition of enabling the community, the scope of Maitree was enhanced to include socially relevant activities and endeavors. Over the years, Maitree has become a part of every TCS employee's life. All in all, Maitree provides everyone at TCS the opportunity to establish relationships that extend beyond work and thereby, help build bonds that makes work so much more fun.

2. Wipro

"People are the heart of any business and in the case of the Technology business, people are more than the heart, they are its brain too. We will continue to invest in people and specifically for increasing the diversity of our employees to join and grow in our Wipro team"- Ajim Premji.

Wipro believe that employees are the heart of the organization; hence a large part of the management focus is to care and support its employees. Further the company's emphasis is on 'work balance towards life' rather than 'life balance towards work'. For this companies aim is to create and nourish the best in class global leadership and provide them unlimited opportunities for career enhancement and growth. It is the aim of the company to be a truly global company that not only serve global customers but also employs people worldwide.

As a part of its Work-life balance practices, Wipro runs a number of wellness and Employee Assistance Programs in its organization covering employees from both the IT as well as the BPO sector.

- **MITR**: an employee counseling initiative
- **Fit Life**: an Employee Wellness Program
- **Employee Advocacy Group**: focused on identifying and addressing Wiproites issues and concerns, providing staffers with a forum to improve the organization from the bottom up.
- **OMBUDS**: A 24x7 multi lingual hotline and online enabled process to provide a strong framework of assurance and protection to women employees.
- **Awareness and self defense sessions for women employees.**
- **Wipro Academy of Software Excellence (WASE) program**: To nurture young talent.

"MITR" (friend) is considered to be one of the most successful wellness programmes rolled out in the company. As part of the initiative, 28 people were trained for counseling fellow employees from a psychological perspective to counter stress in the workplace and in their personal lives.

3. Infosys

Infosys believes in bringing employees together through inclusion program. Infosys promotes work-life balance through its three dimensional programme:

- **Infosys Women's Inclusivity Network (IWIN)**
- **Infyability**
- **Family Matters Network**

Infosys Women's Inclusivity Network (IWIN) was launched in 2003 to create a gender sensitive and inclusive work environment at Infosys. This network addressed the work-life balance and developmental needs of its women employees. A special mentoring program for women was launched in 2008 in order to boost up the spirit of female employees. At the same time Infosys believes in supporting and recognizing employee's volunteerism. Further the program of "Infyability", support employees with physical disabilities through the Equal Opportunities team. The company has established a platform to help employees come together and benefit by sharing experience and knowledge which in return leads to skill enhancements. Family Matters Network was launched in 2008 to help employees with parenting and work-life balance issues. Employees are given online expert counseling and provided referral service on daycare and information on schools for their children. In order to recognize the talent of employees' children both in academic and extracurricular activities, Infosys celebrate Petit Infoscion Day.

CONCLUSION

The Indian IT sector persists to be one of the flourishing sectors of Indian financial system indicating a speedy expansion in the coming years. As per NASSCOM, the Indian IT exports are anticipated to attain US\$ 175 billion by 2020 out of which the domestic sector will account for US\$ 50 billion in earnings. Thus, it's high time that IT companies need to be proactive to retain the best brain as attrition is the main worry for this sector and work-life imbalance is one among the prime culprit for

this. Thus the company's human resource team along with the active cooperation of the employees should take initiatives to facilitate proper work-life balance policies and see to it that the employees are benefited from such policies. The employee side should practice self-management so as to reduce some of the work-life imbalances arising out of stress, burnout, family commitments etc. They can probably make use of meditation techniques, yoga, extracurricular events, proper self appraisal of jobs, adequate training for improvement etc. IT leaders should focus on developing, formulating, implementing and reviewing better work-life balance policies in order to build a sustainable and enriching organization. Thus a better work –place as well as a secured and happy family life is possible.

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A study on investors purchasing preferences on Portfolio management

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INTRODUCTION

Investment involves risk also most of investors would like to invest his funds into the equity. To get optimal return with low risk investor invests his funds with different securities, by using this portfolio management to get the optimal return with low risk. Portfolios are combinations of assets held by the investors. The traditional Portfolio Theory aims at the selection of such securities that would fit in well with the asset preferences, need and choice of investor. Modern Portfolio Theory postulates that maximization of return and or minimization of risk.

Portfolio analysis includes portfolio construction, and performance of portfolio. All these are part of the subject of portfolio Management which is a dynamic concept, subject to daily and hourly changes based on information flows, money flows and economic and non-economic forces operating in the country on the markets and securities

The return on portfolio is weighted average of returns of individual stocks and the weights are proportional to each stocks percentage in the total portfolio.

PORTFOLIO MANAGEMENT & ITS PHASES

PORTFOLIO MANAGEMENT IS a process encompassing many activities aimed at optimizing investment of funds, each phase is an integral part of the whole process and the success of portfolio management depends upon the efficiency in carrying out each phase. Five phases can be identified:-

1. Security analysis
2. Portfolio analysis
3. Portfolio selection
4. Portfolio revision
5. Portfolio evaluation

SECURITY ANALYSIS

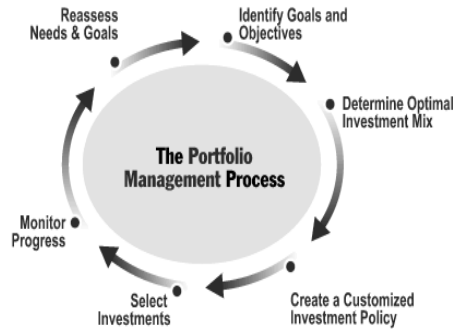
It refers to the analysis of trading securities from the point of view of their prices, return, and risk. All investment is risky and the expected return is related to risk. The securities available to an investor for investment are numerous and of various types. The shares of over more than 7000 are listed in stock exchanges of the country. Securities classified into ownership securities such as equity shares and preference shares and debentures and bonds. Recently, a number of new securities such as convertible debentures and deep discount bonds, zero coupon bonds, Flexi bonds, Floating rate bonds GDRs Euro currency bonds etc..., are issued to raise funds for their projects by companies from which investor has to choose those securities the is worthwhile to be included in his investment portfolio. This calls for detailed analysis of the available securities.

Security analysis is the initial phase of the portfolio management process. It examines the risk return characteristics of individual securities. A basic strategy in securities investment is to buy under priced securities and sell over priced securities. But the problem is how to identify such securities in other words mispriced securities. This is what security analysis is all about.

PORTFOLIO REVISION

The portfolio which is once selected has to be continuously reviewed over a period of time and then revised depending on the objectives of the investor. The care taken in

construction of portfolio should be extended to the review and revision of the portfolio. Fluctuations that occur in the equity prices cause substantial gain or loss to the investors.



The investor should have competence and skill in the revision of the portfolio. The portfolio management process needs frequent changes in the composition of stocks and bonds. In securities, the type of securities to be held should be revised according to the portfolio policy. An investor purchases stock according to his objectives and return risk framework. The prices of stock that he purchases fluctuate, each stock having its own cycle of fluctuations. These price fluctuations may be related to economic activity in a country or due to other changed circumstances in the market. If an investor is able to forecast these changes by developing a framework for the future through careful analysis of the behavior and movement of stock prices is in a position to make higher profit than if he was to simply buy securities and hold them through the process of diversification. Mechanical methods are adopted to earn better profit through proper timing. The investor uses formula plans to help him in making decisions for them. Future by exploiting the fluctuations in prices

EVALUATION OF PORTFOLIO

Portfolio manager evaluates his portfolio performance and identifies the sources of strengths and weakness. The evaluation of the portfolio provides a feed back about the performance to evolve better management strategy. Even though evaluation of portfolio performance is considered to be the last stage of investment process, it is a continuous process. There are number of situations in which an evaluation becomes necessary and important.

- i. **Self Valuation:** An individual may want to evaluate how well he has done. This is a part of the process of refining his skills and improving his performance over a period of time.
- ii. **Evaluation of Managers:** A mutual fund or similar organization might want to evaluate its managers. A mutual fund may have several managers each running a separate fund or sub-fund. It is often necessary to compare the performance of these managers.
- iii. **Evaluation of Mutual Funds:** An investor may want to evaluate the various mutual funds operating in the country to decide which, if any, of these should be chosen for investment. A similar need arises in the case of individuals or organizations who engage external agencies for portfolio advisory services.
- iv. **Evaluation of Groups:** have different skills or access to different information. Academics or researchers may want to evaluate the performance of a whole group of investors and compare it with another group of investors who use different techniques

Process of Portfolio Management:

The Portfolio Program and Asset Management Program both follow a disciplined process to establish and monitor an optimal investment mix. This six-stage process helps ensure that the investments match investors unique needs, both now and in the future.

1. IDENTIFY GOALS AND OBJECTIVES

When will you need the money from your investments? What are you saving your money for? With the assistance of financial advisor, the Investment Profile Questionnaire will guide through a series of questions to help identify the goals and objectives for the investments.

2. DETERMINE OPTIMAL INVESTMENT MIX

Once the Investment Profile Questionnaire is completed, investors optimal investment mix or asset allocation will be determined. An asset allocation represents the mix of investments (cash, fixed income and equities) that match individual risk and return needs. This step represents one of the most important decisions in your portfolio construction, as asset allocation has been found to be the major determinant of long-term portfolio performance.

3. CREATE A CUSTOMIZED INVESTMENT POLICY STATEMENT

When the optimal investment mix is determined, the next step is to formalize our goals and objectives in order to utilize them as a benchmark to monitor progress and future updates.

4. SELECT INVESTMENTS

The customized portfolio is created using an allocation of select QFM Funds. Each QFM Fund is designed to satisfy the requirements of a specific asset class, and is selected in the necessary proportion to match the optimal investment mix.

5. MONITOR PROGRESS

Building an optimal investment mix is only part of the process. It is equally important to maintain the optimal mix when varying market conditions cause investment mix to drift away from its target. To ensure that mix of asset classes stays in line with investors unique needs, the portfolio will be monitored and rebalanced back to the optimal investment mix

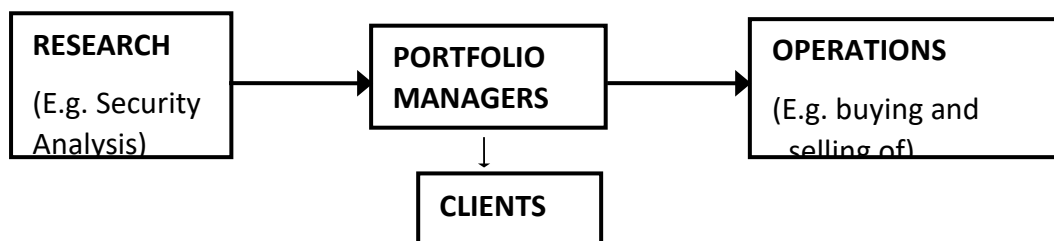
6. REASSESS NEEDS AND GOALS

Just as markets shift, so do the goals and objectives of investors. With the flexibility of the Portfolio Program and Asset Management Program, when the investors needs or other life circumstances change, the portfolio has the flexibility to accommodate such changes.

STRUCTURE / PROCESS OF TYPICAL PORTFOLIO MANAGEMENT

In the small firm, the portfolio manager performs the job of security analyst.

In the case of medium and large sized organizations, job function of portfolio manager and security analyst are separate.



BOMBAY STOCK EXCHANGE

A very common name for all traders in the stock market, BSE, stands for Bombay Stock Exchange. It is the oldest market not only in the country, but also in Asia. In the early days, BSE was known as "The Native Share & Stock Brokers Association." It was established in the year 1875 and became the first stock exchange in the country to be recognized by the government. In 1956, BSE obtained a permanent recognition from the Government of India under the Securities Contracts (Regulation) Act, 1956.

In the past and even now, it plays a pivotal role in the development of the country's capital market. This is recognized worldwide and its index, SENSEX, is also tracked worldwide. Earlier it was an Association of Persons (AOP), but now it is a demutualised and corporatized entity incorporated under the provisions of the Companies Act, 1956, pursuant to the BSE (Corporatization and Demutualization) Scheme, 2005 notified by the Securities and Exchange Board of India (SEBI).

BSE with its long history of capital market development is fully geared to continue its contributions to further the growth of the securities markets of the country, thus helping India increase its sphere of influence in international financial markets.

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

The National Stock Exchange of India Limited has genesis in the report of the High Powered Study Group on Establishment of New Stock Exchanges, which recommended promotion of a National Stock Exchange by financial institutions (FI"s) to provide access to investors from all across the country on an equal footing. Based on the recommendations, NSE was promoted by leading Financial Institutions at the behest of the Government of India and was incorporated in November 1992 as a tax-paying company unlike other stock Exchange in the country.

On its recognition as a stock exchange under the Securities Contracts (Regulation) Act, 1956 in April 1993, NSE commenced operations in the Wholesale Debt Market (WDM) segment in June 1994. The Capital Market (Equities) segment commenced operations in November 1994 and operations in Derivatives segment commenced in June 2000.

NEED OF THE STUDY

Portfolio management is process encompassing many activities of investment in assets and securities. It is a dynamic and flexible concept and involves regular and systematic analysis judgment and action.

- It helps to guide the investor to select the portfolio which provides current income
- The study helps in mutual funds management.
- To help in optimizing the returns with lower risks.
- To help the investors in adjusting their returns in tune with the market conditions.
- The study helps to the investors to take effective investment decision.
- To understand the price fluctuations in selected scripts

OBJECTIVES OF THE STUDY

The objectives of the study have the following aspects.

- ❖ To study the selected portfolio is yielding a satisfactory & constant return to the investor.
- ❖ To find out the optimal portfolio, which gives optimal return at a minimum risk to the investor?
- ❖ To find out the risk and return of the selected scripts.
- ❖ To understand the role of stock exchange in securities trading.
- ❖ To calculate the co-variance and correlation between the securities.
- ❖ To offer findings, suggestions and conclusion of the study.

METHODOLOGY

There are two types of data sources

1. **Primary data** is the data which is collected first time by our own by using observation, personal interview
2. **Secondary data** was taken from the already existing source like books, magazines and news papers. In the present study, the secondary data is collected the following sources.

Manuals, Journals & Magazines, Websites, Company recorders.

Data Analysis

In the present study, in analyzed the data by using various statistical tools like standard deviation, correlation coefficient, covariance, and by using graphs and charts. The present study focus on the following companies is:

MARUTI SUZUKI, ICICI, RELIANCE

Data Collection Method

The methodology adopted for the study in observation method. It is used to understand the procedures & evaluation of the investor's performance as well as the impact of the brokers of the stock exchanges in the selections and performance of portfolio.

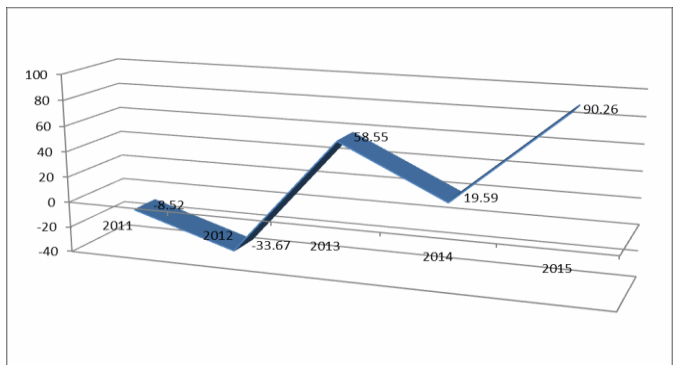
DATA ANALYSIS AND INTERPRETATION

MARUTI SUZUKI

Year	Year of being (P0)	Year of ending(P1)	Dividend (D)	(P1-P0)	$D+(P1-P0)/P0*100$
2011	1560	1421	6	-139	-8.52
2012	1421	935	7.5	-486	-33.67
2013	935	1475	7.5	540	58.55
2014	1475	1756	8	281	19.59
2015	1756	3329	12	1573	90.26
AVERAGE RETURN					25.24

Interpretation

From the above table the dividend in 2015 is higher than the remaining years and return is higher in 2015 i.e 90.26 than the remaining the average return is 25.24/-

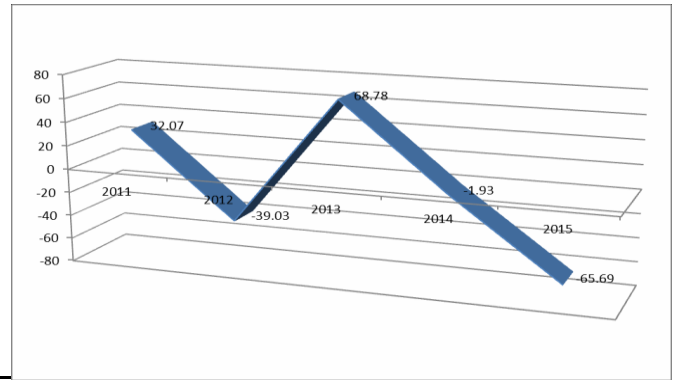


ICICI BANK

Year	Year of being (P0)	Year of ending(P1)	Dividend (D)	(P1-P0)	$D+(P1-P0)/P0*100$
2011	876	1145	12	269	32.07
2012	1145	684	14	-461	-39.03
2013	684	1138	16.5	454	68.78
2014	1138	1098	20	-40	-1.93
2015	1098	353	23	-745	-65.69
AVERAGE RETURN					-1.16

Interpretation

From the above table the dividend in 2015 is higher than remaining years and return is higher in 2013 than remaining .The average return is -1.16/-

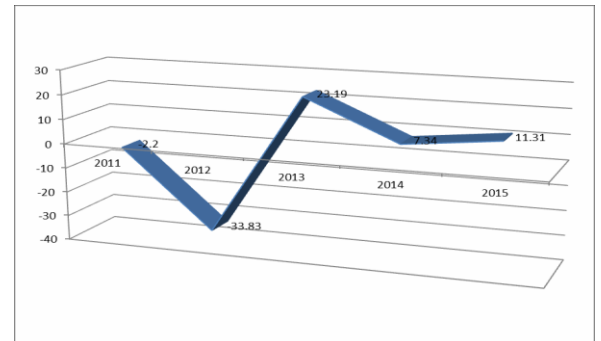


RELIANCE

Year	Year of being (P0)	Year of ending(P1)	Dividend (D)	(P1-P0)	D+(P1-P0)/P0*100
2011	1089	1058	7	-31	-2.20
2012	1058	692	8	-366	-33.83
2013	692	844	8.5	152	23.19
2014	844	897	9	53	7.34
2015	897	989	9.5	92	11.31
AVERAGE RETURN					1.16

Interpretation

From the above table, the dividend in 2015 is higher than the remaining years and return is higher in 2013 than remaining. The average return is 1.16/-



FINDINGS

Investors would be able to achieve when the returns of shares and debentures Resultant would be known as diversified portfolio. Thus portfolio construction would address itself to three major via, selectivity, timing and diversification. In case of portfolio management, negatively correlated assets are most profitable. A rational investor would constantly examine his chosen portfolio both for average return and risk.

- Individual returns on the selected stocks including Marutisuzuki, ICICI, and Reliance are 25.24%, -1.16%, 1.16% respectively.
- Individual risks on the selected stocks including Marutisuzuki, ICICI, and Reliance are 44.67%, 48.15%, 19.29% respectively.

SUGGESTIONS

All the stocks under consideration have given positive return which indicates the positive performance of the stock market, specially the SENSEX stocks.

- All the investors who invest in the securities are ultimately benefited by investing in selected scripts of Industries.
- Low Risk investors are advised to keep away from Maruti & ICICI (risk of 32%) and prefer the Portfolios of ICICI & Reliance (16.92%)

CONCLUSION

The main objective of the Portfolio management is to help the investors to make wise choice between alternate investments without a post trading shares. Any portfolio management must specify the objectives like Maximum returns, Optimum Returns, Capital appreciation, Safety etc., in the same prospectus

“Greater Portfolio Return with less Risk is always is an attractive combination” for the Investors.

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A Study On Micro, Small And Medium Enterprises Opportunities And Constraints Of Globalization

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INTRODUCTION:

Micro, Small and Medium Enterprises (MSMEs) are one of the most exciting and sensitive sectors in Indian economy. The significance of Micro, small and Medium Enterprises (MSMEs) is attributable to its capacity of employment generation, low capital and technology requirement, use of traditional or inherited skill, use of local resources, mobilization of resources and exportability of products. It helps in overcoming the shortage of capital in capital scarce countries like India as Micro, Small and Medium Enterprises generally use more labour and less capital. Hence, the small scale industries are more suited to a labour surplus economy like India.

A major change took place in 2006 with the enactment of MSME Development Act, 2006. In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006, **the Micro, Small and Medium Enterprises (MSME) are classified into two categories**

1. **Manufacturing Enterprises-** The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951. The Manufacturing Enterprise is defined in terms of investment level in plant & machinery.

2. **Service Enterprises:** The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment. The limit for investment in plant and machinery / equipment for manufacturing / service enterprises, as notified are as under:

MANUFACTURING SECTOR

Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed twenty five lakh rupees
Small Enterprises	More than twenty five lakh rupees but does not exceed five crore rupees
Medium Enterprises	More than five crore rupees but does not exceed ten crore rupees

SERVICE SECTOR

Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed ten lakh rupees
Small Enterprises	More than ten lakh rupees but does not exceed two crore rupees
Medium Enterprises	More than two crore rupees but does not exceed five crore rupees

(Source: MSME Development Act 2006, Ministry of the District Industry Centers (DIC) MSME, Government of India)

IMPORTANCE OF MSME DEVELOPMENT ACT, 2006:

With the introduction of new MSME Act 2006, the Govt. has tried to resolve some major issues related to the MSMEs like complicated bureaucratic registration procedures, lack of finance, lack of managerial skills etc. The most important thing the Act has done is to increase the significance of the sector and to offer a clear definition of MSMEs.

Further, the act mandated the composition of the National Board of MSMEs with clear long run objective of overseeing and regulating the development of micro, small and medium enterprises in India. The broad functions of this board are to manage cluster development, train entrepreneurs, develop infrastructure and promote financial access to this sector.

The MSME Act 2006 has framed a strict rule regarding payment of dues by increasing penalties substantially for delay in payment. For example, the Act mandates that all payments be made within 45 days failing which the creditor must pay compound interest which is higher than the bank rate notified by the RBI.

As noted in section 2.1, registration in the MSME sector is voluntary and unregistered firms constitute a significant proportion of the total firms constitute a significant proportion of the total. As a result, proper maintenance of records becomes extremely difficult. The new MSME Development Act 2006 has made the registration procedure much simple and less time taking.

CONCEPT OF GLOBALIZATION:

Globalization may be defined as the process of integrating various economies of the world without creating any hindrances in the free flow of goods and services, technology, capital and even labour or human capital. Therefore, it signifies internationalization plus liberalization, through which the world has become a small global village.

OPPORTUNITIES:

1. EXPOSURE TO FOREIGN MARKETS: Globalization has opened up the economy and integrated with the world economy. The MSMEs enjoy the benefits of selling their products and services to the world market rather than being confined into domestic or local market. The free economy leads to accessibility to bigger markets, greater linkages for MSMEs with larger & multi-national companies and marketing outfits, improved manufacturing techniques and processes to achieve maximum output and profit.

2. EMERGING AREAS OF BUSINESS: MSMEs have been able to identify many uncommon but highly promising business areas like outsourcing, medical transcription, clinical research trials, sub-contracting, ancillarization and many new technologies like biotechnology, nanotechnology etc which are attractive for the new generation MSME entrepreneurs.

3. FLOW OF FOREIGN INVESTMENT AND TECHNOLOGY: The MSMEs in India suffer from outdated technology and sub-optimal scale of operation. Many foreign companies have tied up with Indian MSMEs and helped them to use better technology, managerial skill etc. Thus, a proper collaboration between the small and large companies can help the small firms to develop technology base through Research & Development activities, contribution from the technological institutes, universities etc.

4. LESS GOVERNMENT INTERVENTION: As the economy is mainly market driven; there is less Govt. intervention, red tapes, less control on import and export etc. The MSMEs would be allowed to work in a free environment created by the concept of Globalization.

5. EMPLOYMENT GENERATION: Being labour-intensive in nature, the MSMEs make significant contribution in employment generation and expanding industrial network in rural areas. This sector takes care of the traditional skills and knowledge based small and cottage industries. The workers inherit and transfer skills from generation to generation. The handicrafts and other products produced by this sector have good demand in market. The MSMEs have been a good source of employment generation and can be even more if the sector gets support in terms of mixture of technology, capital and innovative marketing techniques etc.

6. BETTER PERFORMANCE BY THE MSMEs: Before globalization, the MSME sector was a highly protected sector. Suddenly, after globalization they discover that many of such protective measures were withdrawn and they have to fight for their existence in the market. This competitiveness in domestic and global market may bring out superior performance.

7. BETTER CUSTOMER SATISFACTION: As the domestic market gets competitive, small and medium firms try to satisfy the consumers in every possible way. They try to produce products as per the needs and preferences of the consumers and satisfy the customers in best possible way.

8. SHORT AND LONG TERM CAPITAL: In a liberalized economy, banks would try to find out new possibilities of giving credits to increase their profitability. Thus, supply of funds may be easier. Development in money market would initiate development in capital market.

9. EXPORT CONTRIBUTION: The products produced by MSME sector (like sports goods, readymade garments, woolen garments and knitwear, plastic products, processed food and leather products, handicrafts etc) have an excellent foreign market. As per the results of fourth MSME census (2006-07), this sector has registered an export earning of Rs 202017 crores in 2007-08.

10. REMOVAL OF REGIONAL DISPARITY: People from remote areas have the tendency to migrate to urban areas in search of jobs. This creates excessive pressure on urban areas and initiates social

and personal problems. This problem can be addressed by setting up a network of micro, small and medium enterprises in economically backward areas. MSME sector can take care of local needs, improve economic condition of the area and most importantly, can bring a qualitative change in the economy of the country.

11. BETTER INDUSTRIAL RELATIONS: The MSMEs are less prone to industrial disputes. However, the truth behind the scene is the workers in small sectors are mostly from unorganized sector and cannot raise their voice collectively. Thus, apparently, they share harmonious relation with the firm owners.

CONSTRAINTS:

Process of globalization has resulted in some serious constraints on the MSMEs

1. FINANCING PROBLEMS: Financing has always been a major problem for the small and medium industries in India. The MSMEs mostly depend on internal sources of finance (personal savings, loan from relatives, and loan from local money lenders) than that of institutional financing by banks and other financing institutions.

2. POOR TECHNOLOGY BASE: There exists considerable heterogeneity among the MSMEs in India. A small percentage of firms operate with sophisticated technology base whereas majority of firms use outdated technology. They suffer from low productivity and poor product quality. Due to their small size, they cannot enjoy large-scale production economies.

3. CUT THROAT COMPETITION: The MSMEs face ruthless competition from the large domestic firms and multinationals armed with improved technology, managerial ability, skilled workers, marketing skills, better product quality, and wide range of products. The small firms find it difficult to maintain their existence as the cases of merger and acquisition are continuously increasing.

4. LACK OF INFRASTRUCTURE FACILITIES: Lack of infrastructure facilities includes inadequate power supply, transportation, water supply etc. Small firms cannot bear the cost of setting up independent power supply unit. They have to depend on irregular power supply from the electricity boards. Inadequate transportation system increases cost of production. The MSMEs producing beverages, tobacco products, medicines etc face the problem of inadequate water supply.

5. LACK OF SKILLED WORKERS: Though India has no shortage of human resource, most of them are unskilled workers. Large firms pay higher remuneration and employ skilled workers. The MSMEs have to operate with unskilled or semi-skilled workers. Thus, the MSMEs suffer from low managerial capabilities.

6. MARKETING AND DISTRIBUTION PROBLEMS: Marketing is probably the most neglected and less explored problem for Micro and Small firms. Most of them do not have any well formulated marketing strategy, market research programmes, innovative advertisement techniques etc. Most of the MSMEs do not have adequate monetary support to develop marketing section and many are not aware of modern low-cost marketing techniques (blogging, sending mails, developing website for the company).

7. DELAYED PAYMENTS: The small firms find it difficult to recover their dues from the large firms and even from Government departments due to complex payment procedure and corruption. Due to lack of funds, they cannot employ credit collection machineries (like factoring services). The large firms force them to offer long credit period and even pay advance to ensure timely supply of materials.

8. GRADUAL WITHDRAWAL OF RESERVATION POLICY: Reservation Policy, introduced in 1967 emphasized that some products would be earmarked for exclusive production by the small enterprises and Non-MSME units can undertake manufacture of reserved items only if they undertake 50 percent export obligations. Withdrawal of reservation policy allowed MNCs and large domestic firms to produce reserved items without any restrictions and increased the degree of competition for the small firms. However, Several Expert Committees like Abid Hussain (1995), Shri T.S. Vijayaraghavan (1997), Confederation of Indian Industries (CII) (1997) etc concluded that reservation policy is no longer helpful for MSMEs as MSME units with no reservation facility have performed better than those units with reservation support. Moreover many MSMEs do not produce the reserved items and many MSME Entrepreneurs do not consider it a relevant policy.

9. MINDSET PROBLEMS: The mindset of the many MSME entrepreneurs has not yet changed. They still expect protection policies and preferential treatment for the MSMEs. Fortunately, this tendency is low in the new generation entrepreneurs. Workshops, success story based approach may help reduce this tendency even more.

10. OUTFLOW OF WEALTH: Globalization process seems to favour the developed countries and the multinationals more than that of developing countries and the MSMEs. The MNCs use domestic wealth, infrastructure, and local unskilled workers at a lower cost and repatriate huge profits to their own countries.

11. MORE PRONE TO GLOBAL FLUCTUATIONS: A well liberalized economy reacts more sharply with the changes in global market. The demand and supply would be determined by global fluctuations and not by the needs of the consumers.

12. SOCIAL WELFARE AREAS NEGLECTED: The MNCs are more willing to produce consumer goods to maximize their profit. The qualitative services like health, education etc which require huge investment but generate less and time taking return on investment, would be neglected.

CONCLUSION:

The role of Micro, Small and Medium Enterprises are more important than that of the large scale industries in underdeveloped countries like India. The role of MSMEs is crucial in reducing the problem of high unemployment prevalent in under developed labour surplus economies. The MSMEs in India face a hard situation due to extreme competition from large industries due to withdrawal of subsidy, lack of infrastructure, anti dumping policy, challenges on product standardization, total quality management etc. Though Globalization has increased competitiveness in Indian MSMEs to certain extent, still Indian MSMEs are not adequately prepared to compete with the global players. There has been a definite change in attitude of the Government from protection to promotion of the MSMEs. The Government has taken several policy initiatives but needs to ensure proper co-ordination and implementation of such schemes. The MSMEs must convert the threats of globalization into opportunities through increased productivity, product diversification, supply chain management, Research and Development activities and should compete with MNCs.

A Study On Job Stress Among Employees Of Software Industries In Hyderabad

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ABSTRACT

In the present scenario software industry has become one of the fastest growing industries in India. The reason for choosing particularly software industry and employees is that the level of stress these employees face is comparatively higher than other employees. Any kind of a job has targets and an employee becomes stressed when he or she is allotted with unachievable targets and are unable to manage the given situation. Thus the main aim of this article is to bring to lime light the level of stress with software employees in Hyderabad and the total sample size for the study is 100 chosen by random sampling method in Hyderabad city.

Keywords: Stress, Hyderabad, software industry, grievances, work culture.

INTRODUCTION

Stress is one of the problems faced by human beings. It has both positive and negative impact on individual. The positive stress called eustress is required to certain level to help an individual to perform their work without which the individual will not work properly. The negative stress called distress has negative impact on the individual which restricts them in performing their work. The ancient philosophical and religious texts provide information about stress which has two approaches: the first approach begins with the nature of human existence and moves systematically to its dysfunctioning (i.e.) stress is generated under certain circumstances, the second approach identifies the problem and the principles of dealing with it are woven around the problem and its resolution. Experience of occupational stress is inevitably involved in the execution of any type of work. Stress has an adaptive value. It motivates the individual to attend to the task and get rid of the tension or demand the unattended task produced.

The Indian Software industry has grown at a compounded annual growth rate (CAGR) of 28 % during the last 5 years. The key segments that have contributed significantly to the industry's exports include – software services - BPO sector is playing vital role in the growth of our country's economy. Due to liberalization of Indian economic policy, the growth of software industry is in commendable position. Due to cost advantage, availability of skilled manpower, quality services are the main reasons for the growth of IT industry in India.

STATEMENT OF THE PROBLEM:

Computers have become an epitome of modern life, being used in every aspect of life. This has also ushered in a new genre of occupation-related health problem among software Professionals. The reason for choosing particularly software employees is that the level of stress these employees face is comparatively higher than other employees. Any kind of a job has targets and an employee becomes stressed when he or she is allotted with unachievable targets and are unable to manage the given situation. The stress among employees of major software industries, Infosys, Tata Consultancy Services, and Cognizant Software companies in Hyderabad. Hence a study on job stress is needed to understand the level of job stress among the employees. This study has not been explored so far software companies in Hyderabad.

REVIEW OF LITERATURE

Darshan et al (2009)¹ in their article, A study on professional stress, depression and alcohol use among Indian software professionals, observed that the software employees are professionally stressed

and are at 10 times higher risk for developing depression and also significantly increase the incidence of psychiatric disorders. Preventive strategies like training in stress management, frequent screening to identify professional stress and depression at the initial stages and addressing these issues adequately might help the software professionals cope with their profession better without affecting their lifestyle and health.

Saurabh Shrivastava and Prateek Bobhate (2010)² in their study, Computer related health problems among software professionals in Mumbai: A cross-sectional study, investigated that Ocular discomfort, musculo-skeletal disorders and psycho-social problems form key category of health problems found among constant computer users. This study has also brought into focus factors contributing to the occurrence of these problems. Thus, the problem requires a multidisciplinary action and hence there is an immediate need for the concerned authorities to collaborate and enforce suitable preventive measures.

Jakkula Rao and Chandraiah (2011)³ in their article, Occupational stress, mental health and coping among information technology professionals, found that job satisfaction and mental health are correlated but not significant. However, job satisfaction was positively and significantly correlated with coping behaviour. The mental health is negatively and significantly correlated with occupational stress. It can be explained that as job satisfaction and mental health increases coping behavior increases. And as stress increases mental health decreases.

Kesava chandran et al (2012)⁴ in their study, Working conditions and health among employees at information technology - enabled services: A review of current evidence, identified that musculo-skeletal disorders, ocular disorders and psycho-social problems were some of the key health problems observed among software professionals. There is a need for implementation of the programs that include the concepts of ergonomics, health education, training of personnel to prevent and overcome the morbidity, as well as psycho-social problems among workers in software industry.

OBJECTIVES OF THE STUDY

- To study on job stress among employees of software industries in Hyderabad.
- To examine the relaxation techniques practiced in the organization.

RESEARCH METHODOLOGY

Primary data was collected through well structured questionnaire and interview method from the software professionals in Hyderabad. Secondary data was collected from internal records of the company such as library records, trade journals, various manuals of the software company and from various training programs previously conducted. Secondary data provides a better view of the problem study, many magazines, tools and other references were also mean important in this study. The sample size is 100 selected randomly.

DATA ANALYSIS AND DISCUSSIONS

Table No.1 Percentage Analysis of Demographic Factors

S.No	Parameters	No of Respondents	Percentage of Total
1	Age of the Respondents	21-25 years	23
		26-30 years	15
		31-40 years	15
		41-50 years	24
		above 50 years	23
2	Marital Status	Married	60
		Unmarried	40
		Analysier	13
3	Designation	Delivery Manager	11
		Project Manager	24
		Software Developer	16
		Support Engineer	18
		Tester	10
		Team Leader	8

4	Nature of Job	Permanent Temporary	84 16	84 16
5	Educational Qualification	Others PG UG	31 39 30	31 39 30
6	Income (Rupees)	25001-35000 35001-45000 45001-55000 above 55000 below 25000	26 23 23 20 8	26 23 23 20 8
7	Experience (years)	11-15 years 16-20 years 6-10 years above 20 years less than 5 years	19 20 14 23 24	19 20 14 23 24

Inferences:

From the table 1, it is inferred that 24 percentage of respondents come under age group of 41-50 years, 23 percentage of respondents come under age group of 21-25 years and above 50 years, 15 percentage of respondents come under the age group of 26-30 years and 31-40 years. 60 percentage of respondents are married and 40 percentage are unmarried. 24 percentage of respondents are project manager, 18 percentage of respondents are support engineer, 16 percentage of respondents are software developer, 13 percentage of respondents are analysier, 11 percentage of respondents are delivery manager, 10 percentage of respondents are tester and 8 percentage of respondents are team leader. 84 percentage of respondents are permanent employees and 16 percentage are temporary employees. 39 percentage of respondents have completed PG, 31 percentage have completed other degree and 30 percentage of respondents have completed UG. 26 percentage of respondents draw salary between Rs.25001-35000, 23 percentage draw salary between Rs.35001-45000 and Rs.45001-55000, 20 percentage draw salary above Rs.55000 and 8 percentage draw salary below Rs.25000. 24 percentage of respondents have less than 5 years of experience, 23 percentage have above 20 years, 20 percentage have 16-20 years, 19 percentage have 11-15 years and 14 percentage have experience between 6-10 years.

Table No. 2

Weighted Average for Relaxation Techniques Practices

S.No.	Descriptio n	Always	Often	Sometimes	Rarely	Never	Total	Score	Rank
1.	Yoga	20	15	25	10	30	100	2.85	7
2.	Meditation	25	20	27	13	15	100	3.27	4
3.	Home-Remedy	22	17	19	24	18	100	3.01	5
4.	Walking	30	25	15	19	11	100	3.44	1
5.	Listening to music	28	22	16	24	10	100	3.34	3

6.	Sleeping	35	15	18	21	11	100	3.42	2
7	others	10	36	15	22	17	100	3.00	6

Inferences: From the above table no.2 the highest relaxation technique is walking and least stress relaxation technique is yoga which is practiced in the organization.

FINDINGS

1. It has been found that 24 percentage of the respondents come under the age group of 41-50 years and 15 percentage come under 26-30 years and 31-40 years.
2. From table 1, it has been found that 60 percentage of respondents are married and 40 percentage are unmarried.
3. It has been found that 24 percentage of respondents are project manager and 8 percentage of respondents are team leader.
4. The table highlights that 84 percentage of respondents are permanent employees and 16 percentage are temporary employees.
5. The table 1 shows that 39 percentage of respondents have completed PG, 30 percentage of respondents have completed UG
6. From table 1, it has been found that 26 percentage of respondents draw salary between Rs.25001-35000 whereas 8 percentage draw salary below Rs.25000.
7. It has been found that 24 percentage of respondents have less than 5 years of experience whereas 14 percentage have experience between 6-10 years.

SUGGESTIONS

1. Work should be properly delegated to the employees to avoid overload of work which could cause stress.
2. Good relationship should be maintained within the employees to make the working environment healthy.
3. Proper grievance handling system should be practiced to help the employees to overcome their problems.
4. Employees should be motivated by giving rewards for their excellent performances.
5. Time management techniques should be taught to employees so that they complete their task within the scheduled time.
6. Stress relaxation programmes like yoga, meditation and exercises should be given to the employees.

CONCLUSION

Stress is a slow and insidious malady which is an unavoidable one and a common problem in the workplace. The level of stress and its amount of consequences vary within and between organizations based on the nature and type of work practices. Organization must begin to manage people at work differently, treating them with respect and valuing their contribution. Recognition,

participation and continuous training of employees are required to retain the skilled employees. It is the responsibility of the organization to see that its employees undergo stress relaxation practices to overcome stress which maintains the sound health of the employees.

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Impact of Organizational Culture on Employee Performance

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Aim of the study: The main aim of research article is to identify and measure strong relationship between performance and organizational culture. The cultural paradigm comprises various beliefs, values, rituals and symbols that govern the operating style of the people within a company. Corporate culture binds the workforce together and provides a direction for the company.

Methodology: Literature review is adopted as methodology to assess the culture of an organization impacts upon process, employees and systems. According to Saffold (1998), firstly, culture can give a shape to the organizational processes which again helps to create and modify culture. Secondly, it is likely that culture's contributes to performance is significantly less undemanding than many studies involve.

Findings: Certain dimensions of culture have been identified so far and research shows that value and norms of an organization were based upon employee relationship. The goal of an organization is to increase level of performance by designing strategies. The performance management system has been measured by balance scorecard and by understanding nature and ability of system culture of an organization have been identified.

Recommendation: The strong culture of an organization based upon managers and leaders help in improving level of performance. Managers relate organization performance and culture to each other as they help in providing competitive advantage to firms.

Keywords: Impact, Organization Culture, Organization Performance, Employee's Commitment, organizational goals.

Introduction: - Organizational Culture is the system of shared beliefs and values that develops within an organization and guides the behavior of its members. The modern competitive environment demands a better understanding of how an organization's culture affects its performance. It has always been challenging for the researchers to explore and study the nature of culture in terms of organizational settings.

The system of organization was based upon effective establishment of culture that keep learning environment strong. The performance of employees improves by establishment of strong culture of an organization.

Performance refers to the degree of achievement of the mission at work place that builds up an employee job (Cascio, 2006). Different researchers have different thoughts about performance. Mostly researcher's used the term performance to express the range of measurements of transactional efficiency and input & output efficiency (Stannack, 1996). Daft (2000), said that organizational performance is the organization's capability to accomplish its goals effectively and efficiently using resources.

Organizational Culture: - Organizational culture works a lot like this. Every company has its own unique personality, just like people do. The unique personality of an organization is referred to as its culture. In groups of people who work together, organizational culture is an invisible but powerful force that influences the behavior of the members of that group. So, how do we define organizational culture? Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they work, act, and perform their jobs. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization. Let's explore what elements make up an organization's culture.

Organizational culture is composed of seven characteristics that range in priority from high to low. Every organization has a distinct value for each of these characteristics, which, when combined, defines the organization's unique culture. Members of organizations make judgments on the value their organization places on these characteristics and then adjust their behavior to match this perceived set of values. Let's examine each of these seven characteristics.

Characteristics of Organizational Culture: - The seven characteristics of organizational culture are:

1. Innovation (Risk Orientation) - Companies with cultures that place a high value on innovation encourage their employees to take risks and innovate in the performance of their jobs.

Companies with cultures that place a low value on innovation expect their employees to do their jobs the same way that they have been trained to do them, without looking for ways to improve their performance.

2. **Attention to Detail (Precision Orientation)** - This characteristic of organizational culture dictates the degree to which employees are expected to be accurate in their work. A culture that places a high value on attention to detail expects their employees to perform their work with precision. A culture that places a low value on this characteristic does not.
3. **Emphases on Outcome (Achievement Orientation)** - Companies that focus on results, but not on how the results are achieved, place a high emphasis on this value of organizational culture. A company that instructs its sales force to do whatever it takes to get sales orders has a culture that places a high value on the emphasis on outcome characteristic.
4. **Emphasis on People (Fairness Orientation)** - Companies that place a high value on this characteristic of organizational culture place a great deal of importance on how their decisions will affect the people in their organizations. For these companies, it is important to treat their employees with respect and dignity.
5. **Teamwork (Collaboration Orientation)** - Companies that organize work activities around teams instead of individuals place a high value on this characteristic of organizational culture. People who work for these types of companies tend to have a positive relationship with their coworkers and managers.
6. **Aggressiveness (Competitive Orientation)** - This characteristic of organizational culture dictates whether group members are expected to be assertive or easygoing when dealing with companies they compete with in the marketplace. Companies with an aggressive culture place a high value on competitiveness and outperforming the competition at all costs.
7. **Stability (Rule Orientation)** - A company whose culture places a high value on stability are rule-oriented, predictable, and bureaucratic in nature. These types of companies typically provide consistent and predictable levels of output and operate best in non-changing market conditions.

According to Robert E. Quinn and Kim S. Cameron at the University of Michigan at Ann Arbor, there are four types of organizational culture: Clan, Adhocracy, Market, and Hierarchy.

- 1 **Clan**:-oriented cultures are family-like, with a focus on mentoring, nurturing, and “doing things together.”
- 2 **Adhocracy**:-oriented cultures are dynamic and entrepreneurial, with a focus on risk-taking, innovation, and “doing things first.”
- 3 **Market**:-oriented cultures are results oriented, with a focus on competition, achievement, and “getting the job done.”
- 4 **Hierarchy** - oriented cultures are structured and controlled, with a focus on efficiency, stability and “doing things right.”

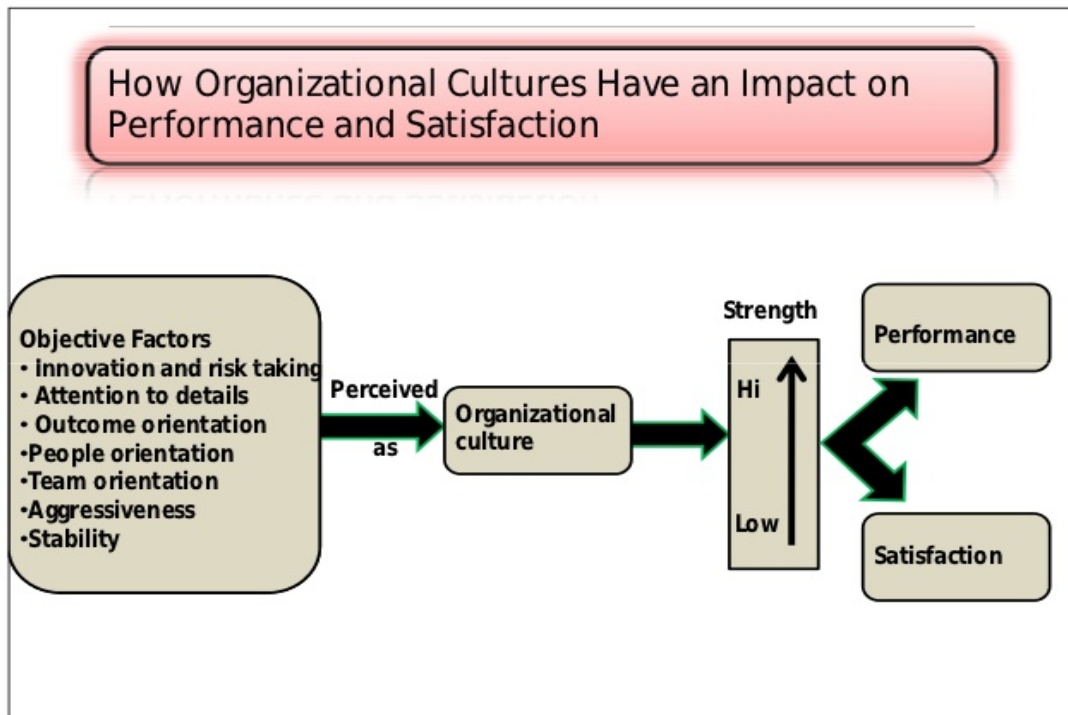
There's no correct organizational culture for an arts organization. All cultures promote some forms of behavior, and inhibit others. Some are well suited to rapid and repeated change, others to slow incremental development of the institution.

For example, Quinn and Cameron associate the lower two cultures (Hierarchy and Market) with a principal focus on stability and the upper two (Clan and Adhocracy) with flexibility and adaptability. A Hierarchy culture based on control will lead mainly to incremental change, while a focus on Adhocracy will more typically lead to breakthrough change.

The right culture will be one that closely fits the direction and strategy of a particular organization as it confronts its own issues and the challenges of a particular time.

Employees and managers benefit from the understanding of organizational culture as a contextual factor the key to good performance is a strong culture, A positive and strong culture can make an average individual perform and achieve brilliantly, whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Therefore organizational culture has an active and direct role in performance management.

Organizational Performance:- The degree of an achievement to which an employee's fulfill the organizational mission at workplace is called performance (Cascio, 2006). Performance has been perceived differently by various researchers, but most of the scholars relate performance with measurement of transactional efficiency and effectiveness towards organizational goals (Stannack, 1996; Barne, 1991).



Comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). It is a broad construct which captures what organizations do, produce, and accomplish for the various constituencies with which they interact. Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development (Companion to Organizations, J. Baum Eds., Oxford Blackwell, UK, 2002).

The Balance Score card have been used to evaluate performance management of employees based upon perfect association between goods and services. (Kaplan and Norton, 1992) The strategies based upon rationality and design helps in making culture more effective. The four casual relationships between performance management and culture have been defined so far. The learning growth, customers, internal business process and financial reward management system helps in improving and presenting casual relationship. The focus of an organization for cooperative tool helps in improving communication among business performance. The organizational goals and strategies based upon feedback helps in improving performance management.

Organizational performance denotes overall firm performance, including productivity, efficiency, profitability, market value, operations, finance, legal, and organizational development and competitive advantage.

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). (According to Richard et al. (2009). (2) Organizational performance involves the recurring activities to establish organizational goals, monitor progress toward the goals, and make adjustments to achieve those goals more effectively and efficiently. (Carter McNamara, MBA, PhD, Authenticity Consulting, LLC.)

A recent article in the *Harvard Business Review* by Buckingham and Goodall summarizes the new performance management system that is being adopted by Deloitte. It makes a number of good points and, in fact, it draws on some of the past literature. However, what it doesn't mention is the opportunity to use information technology and the potentially powerful effect this can have on the effectiveness of the performance management process. They also fail to mention some key research findings.

Let me mention three important features of an effective performance management system that are not mentioned in the article. The first is strong support by executives at all levels. Role modeling needs to

begin at the top and it needs to be demonstrated by the appraisals being done on all members of the organization. It can't be what the middle does to people at the bottom of the organization. It also needs to be an important part of the strategic management processes of the organization.

The second feature is that there is no emphasis on setting clear performance goals in advance. Again, the research clearly shows that one of the most important determinants of the effectiveness of the performance management system is the goal setting process. When individuals set goals, particularly those that have rewards tied to them, they are motivated to perform well.

Lastly, research clearly shows that pay discussions need to take place after and separately from feedback about performance and discussions about training and development. When discussions of performance are combined with discussions of pay, individuals walk away with only a memory and understanding of the pay decision. They do not process issues about development, and do not remember nor feel committed to the development and the growth activities that were discussed.

One final point: the objective of a performance management system should not be to make everyone happy; it should be to motivate and inform everyone.

The relationship between organizational culture and Performance Management: - According to Kandula (2006) the key to good performance is a strong culture. He further maintains that due to difference in organizational culture, same strategies do not yield same results for two organizations in the same industry and in the same location. A positive and strong culture can make an average individual perform and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Therefore organizational culture has an active and direct role in performance management. Murphy and Cleveland (1995) believe that research on culture will contribute to the understanding of performance management. Magee (2002) contends that without considering the impact of organizational culture, organizational practices such as performance management could be counterproductive because the two are interdependent and change in one will impact the other.

There has been significant research in the literature to explore the impact of organizational culture on employee performance and productivity. For instance, scholars (Hofstede, 1980; Ouchi, 1981; Hofstede & Bond, 1988; Kotter and Heskett, 1992; Magee, 2002) claim that organizational culture could be used for measuring economic performance of an organization. However, organizational excellences could be varied since cultural traits differ from organization to organization and certain cultural traits could be source of competitive advantages through causal ambiguity (Barney, 1991 and Peters and Waterman, 1982). The world is changing rapidly and the level of employee expectation and satisfaction also change accordingly.

Organizational culture adapts overtime to cope up with such dynamic changes and meet the varying demand of employee expectations and satisfactions. Therefore a supportive culture as pointed out by Ritchie (2000) is considered as a motivational instrument which promotes the employees to perform smoothly and ensures better productivity (Ritchie, 2000). Research has been carried out on various issues of organizational culture, for example, organizational culture types (Tharp, 2009) emphasize the stages of culture across the organization whereas organizational psychology (Schein, 1990) focuses on how culture makes an impact on employees' psychology and performance. These two issues of organizational culture set up equilibrium where an organization can achieve its maximum level of effectiveness and efficiency (Deem, Barnes, Segal & Preziosi, 2000) that shows the link between organizational culture and employee performance.

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The Impact Of Corporate Social Responsibility On Business Performance In India

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Abstract

This paper examines the question of measurability of the impact of Corporate Social Responsibility on Business Performance. It starts with describing newer trends of measuring business performance, showing that one can observe a shift from the classical short-term analysis with particular focus on indicators like shareholder value, revenue and market share toward taking also into account soft indicators, such as employee and customer satisfaction that contribute to the long-term success of a company. This approach is shown based on the Indian Quality Management (IQM) criteria. The paper goes on to give an overview of latest trends in the field of Corporate Social Responsibility and then offers a possible way to measure its impact on Business Performance on the basis of the stakeholder concept.

Keywords :Corporate Social Responsibility, Business Performance.

Introduction

In the refined CSR strategy set forth by the Indian Commission in 2011 as well as in many past and recent scientific publications, a considerable focus is being set on the benefit of CSR to society as a whole. Consequently, much effort is being made to promote CSR in all member states and companies of all sizes. Furthermore, member states are not only asked to update their individual CSR strategies, but also to prepare for some further regulatory intentions. Some business associations are rather hesitant to accept mandatory CSR requirements promoted by the Commission, although the value and importance of CSR for society is acknowledged. Also, there is more and more awareness that CSR activities are not only merely of charitable nature, but that they also contribute to a positive image of the company, to increased employee and customer satisfaction as well as to other soft factors that need to be taken into account when measuring business success. These developments consequently lead to the question: Is it possible to measure the impact of CSR activities on business performance; and if so, how? This paper is designed to answer this question by first describing what may be understood when using the term business performance (chapter one), then dealing with the latest developments of CSR (chapter two) and finally outlining a possible answer (chapter three) followed by some conclusions and prospects. Relevant literature is mentioned in the reference section at the end of the paper.

I. Business Performance – definition and measurement

a) Background

Business Performance was traditionally a topic that leaders of large companies paid a good deal of attention to, because it gives vital information about the state of the company, its success, development and future outlook. However, even though for large companies it is inevitable to employ Business Performance Measurement Systems, which are usually supported by Information Technology like Data Mining or Data Warehouse, Small and Medium Sized companies traditionally lack well-performed strategies in this area. In addition, little research has been done in the area of Performance Measurement Adaption of SMEs. All business processes eventually revolve around the target of contributing to the success of the company in one way or another. While the term "success" describes the positive effective overall turnout of a company's activities, the term Business Performance in itself is a neutral descriptive concept for the effectiveness and the efficiency of the company's actions in general or of certain parts or processes of the company in particular. Business Performance can be characterized with attributes, for example as "well" or "poor", depending on the expectations of the individual analyzing the data he or she has chosen to examine in order to gain insight into the state the company is in at a given moment. Business Performance is of key interest for the top management of a company. If Business Performance is weak, managers need to intervene in order to return to the path

of growth. Especially in a market in which competition is increasing and globalization demands for better competitiveness, business leaders need to pay close attention to Business Performance. However, although the necessity to partake in Business Performance analysis and evaluation in order to improve policies and processes is easily understood in theory, putting this concept into practice is not as easy as it may seem. Figure 1 displays the Business Performance of a company in relation to its management, to the business strategy and to the company's processes: It shows the two-sided approach to Business Performance. On one hand, there is a normative relation on the side of the company management (top-down relation). The leadership's inherent responsibility is to set out a Business Strategy in which Business Performance is defined: Business Performance must meet or exceed the expectations of the leadership. On the other hand, the bottom-up relation is a descriptive one: Measurement of Business Performance through selected indicators shows the management if expectations are met and gives vital information about necessary adjustments to the business processes that need to be made. The figure shows that both, normative definitions and descriptive measurements of Business Performance must be made. Normative definitions of Business Performance are described within the framework of Business Strategies. They include approaches such as Total Quality Management (TQM) and Management by-strategies. Descriptive approaches to Business Performance often focus on selecting indicators in order to show the status quo of the business processes. However, newer developments in Business Strategies, such as the Baldrige Performance Excellence Program and the IQM model, include the descriptive components already in its strategy model.

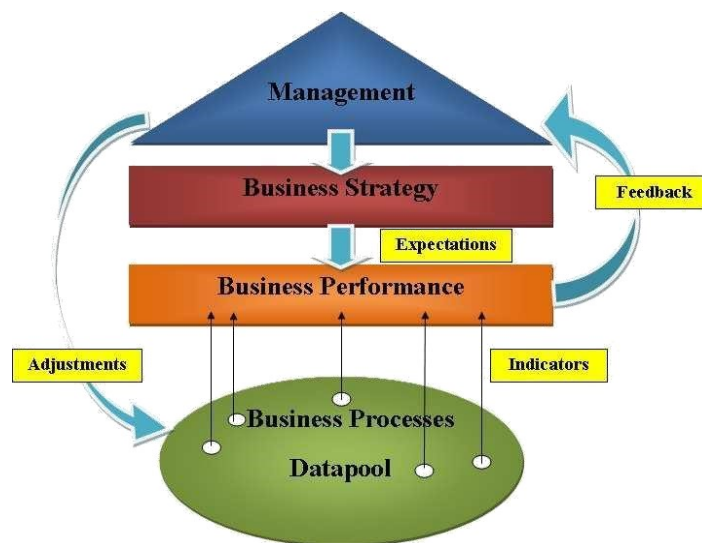


Figure 1: Business Performance in the Business architecture (own illustration) Once indicators are selected, the peculiarities of the different indicators must be identified and a predefined weighing executed in order to measure the current performance of the company. Usually this is not only done once, but in a frequency that allows the administration to evaluate possible improvements or deteriorations and to act upon them in time. The auditing process can be done either internally or externally. Performance Measurement Systems were described in 1995 as “the set of metrics used to quantify both the efficiency and effectiveness of actions”ⁱⁱ. The measurement process can be done in an automated way using information technology. Often large companies have the financial ability and adequate human resources to purchase and to implement necessary IT equipment, such as software programs like SAS or ORACLE. But SMEs frequently lack these possibilities even though they would like to implement some kind of performance management. For this reason it is inevitable to equip SMEs with easily-understandable systems that contain indicators that are not too difficult to measure.

b) The IQM model as a reference system

IQM is an abbreviation of the non-profit organization “Indian Quality Management” and was founded in 1988 by the presidents of the 14 founding members, among them BOSCH, OLIVETTI, VOLKSWAGEN, FIAT and ELECTROLUXⁱⁱⁱ. The foundation is based in Brussels, Belgium and has now more than 500 member organizations in more than 55 countries and 50 industries.^{iv} The intent of establishing this foundation was to provide for an Indian version of an excellent quality award based on the philosophy of Total Quality Management. The most popular quality award at the time was the American Malcolm Baldrige National Quality Award. Less known in western countries but popular in Asia was the Japanese Deming Prize. The initial IQM model relied to a large degree on

the criteria and weighing of the Malcom Baldrige Award. Significant new developments were the inclusion of a broader stakeholder approach and the equal weighing of enablers and results. In the economic and scientific communities of the Indian Union, the IQM model soon achieved high recognition and many non-profit organizations became members.

In May 2009 – and thus in the middle of the financial and economic crisis- the Board of Governors of the IQM formally requested an update of its Business Excellence model. The IQM Foundation states that its request for the update was influenced by a variety of stakeholders such as members, assessors, partners, trainers, learning networks and even EU representatives. Therefore, the revised model contains up-to-date key drivers of Business Excellence. The changes also reflect the increasing awareness for the need of sustainable economic and social performance.^{vi}

Figure 2 shows the newest version of the model. In order to measure and compare business performance, 8 criteria have been set up by the IQM and grouped into two main categories: Enablers and Results. Enablers represent factors that help companies achieve their desired results. Excellent businesses have a leadership that supports sustainable development, sets up a consistent strategy, works effectively together with partners, makes use of resources in an optimal way and focuses on people. Next to these factors, the processes, products and services are evaluated. On the results side, not only classical key results like market share and growth, turnover and profit are evaluated, but also soft factors like the impact of the business processes on its own people, on the

Customers, and on society. Long-term-focused activities like corporate social responsibility are to be considered as important as shareholder value and other rather short-term-focused factors. According to Serban and Ghenta^{vii}, the IQM-model is used as a diagnostic model and serves as a basis for an expansion that includes aspects of social and environmental responsibility. Using this model, the companies learn to evaluate themselves and to measure their own progress for continual further development. This is difficult to do in prosperous times. It is more difficult to maintain this commitment in a time of rapid technological innovation cycles; rising international competition; fundamentally changing processes; frequent changes in the economic, social, and customer environment; and, last but not least, in a time of financial or economic crisis.

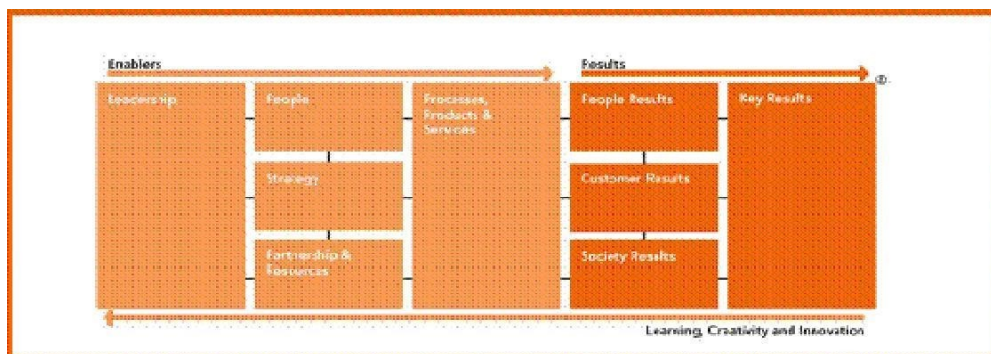


Figure 2: The IQM 2010 model. Source: Gemoets (2009)

Next to a simplification of terms, the weight given to each criteria was changed while still carefully maintaining the equal value between the capacities of an organization, displayed



Figure 3: New weighing of criteria. Source: Gemoets (2009)

By the five “enablers criteria”, and the performance it delivers for its stakeholders measured by the four “results criteria”. Capacity and performance each account for 50% of the total. Figure 3 shows the new weighting percentages. While the criteria themselves have not changed significantly, there have been some shifts in the underlying fundamental concepts. In an analysis of the revised concepts, one can see that the content has been changed to promote a more balanced and sustainable view of business culture and processes.^{viii} while some criteria and weighing of criteria was changed, the underlying structure of the model was not altered. Based upon the well-known Plan-Do-Check-Act-cycle, the system was named RADAR, an acronym for “Results, Approach, Deployment, Assessment and Refinement. The RADAR system is a framework surrounding the actual IQM criteria and the evaluation process. Similar to the radar system in airplanes or water vessels its function is the surveillance of a changing environment, with the aim of displaying possible negative impacts and therefore prompting adjustments and changes of the system. Its components constitute fundamental core principles that build the basis for all business processes, such as achieving balanced results, adding value for customers and taking responsibility for a sustainable future. All processes must contribute to the goals formulated in the fundamental principles, and the RADAR system ensures that no detachment takes place. Figure 4 shows the RADAR system graphically.



Figure 4: RADAR system surrounding the IQM criteria, taken from the

II. Corporate Social Responsibility – historical and current developments

The Indian Commission defined CSR in 2006 as “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.^{ix} the individual actions of companies undertaking CSR measures are voluntary and are until now not standardized. Currently, there are voices demanding for legislation on the EU level that aim at raising CSR activities onto a mandatory component of business activities. Proponents of this

requirement argue that companies play a vital role in society and therefore should contribute to growth in social issues. Opponents to these demands hold that privately run companies should not be held responsible for activities that should primarily be the domain of public agencies and private initiatives. However, awareness of Corporate Social Responsibility is not a new development. Concern for society and environment can be traced back to the beginning of time. According to one of the oldest known written documents, the account of Genesis by the biblical writer Moses, man was instructed by his Creator to "fill the earth and govern it" (Genesis 1, 28), and is later challenged: "The LORD God took the man and put him in the Garden of Eden to work it *and take care of it*" (Genesis 2, 15), thus implying a balanced approach to using natural resources and exercising responsibility.

During the course of history awareness of social and environmental responsibility developed from individual social and environmental concerns and led to the perception that also collectives, such as profit-oriented businesses, need to partake in responsible activities that do not necessarily produce profits visible in the short run. In the ancient Codex Hammurabi, excavated in Susa in 1902 and displayed today in the Louvre, Paris, a number of laws address the responsibility businesses carry for the effects of their products and processes on customers and citizens: For example, if a property developer would build a house that collapses later because of faulty statics and thereby causes the death of occupants, severe punishment would be due. Hammurabi's crowning took place around 1800 B.C., and similar laws were set up already about 300 years earlier by the Sumerian king Ur-Nammu.

Looking back to the immediate present, between 2006 and 2011 the Indian Commission worked on refining the definition of CSR as well as its strategy in respect to understanding and practically implying CSR in companies within EU member states. One of the questions addressed was the possible shift from voluntary actions to a mandatory requirement for enterprises to implement a CSR strategy. Business associations by and large have criticized this prospect, largely due to an increased load of reporting duties that would exceed the capacities especially of SMEs. For instance, the Association of German Chambers of Industry and Commerce stated repeatedly that, particularly in SMEs, CSR is a widely spread concern on the management level and that the voluntary approach would lead to best results. Key drivers for change should therefore not be requirements formulated by political institutions, but rather pressure built up by society and different stakeholders, such as customers. Business Associations like the German Chamber of Industry and Commerce took various actions in an effort to publically display the already existing CSR activities, e.g. by conducting round tables and instigating contests in which commendable CSR activities were rewarded.

However, the Indian Commission altered its 2006 definition of CSR in October 2011 adding that

"CSR should have in place a process to integrate social, environmental, ethical and human rights concerns into their business operations and core strategy in close collaboration with their stakeholders".

This wording replaces the original solely voluntary approach with a weak requirement, depicted in the word "should". Concerning SMEs, the commission states that "for most small and medium-sized enterprises, especially micro-enterprises, the CSR process is likely to remain informal and intuitive". The Commission sets out an action plan for the period between 2011 and 2014 with eight focus areas:

1. CSR and good practices should become more visible. In order to achieve this vision, a new Indian award is to be established and stakeholders should meet in a more formal way to set common goals and monitor progress in the CSR strategy of the affected companies.
2. Levels of trust should be tracked and improved by the Indian Commission by launching a public debate on the role and potential of enterprises and by organizing a survey on citizen trust in businesses.
3. Self- and corregulation initiatives are to be guided and improved by the Commission.
4. EU policies in the field of consumption, investment and public procurement are to be aimed at enhancing market rewards for responsible business conduct.
5. The Commission intends to develop a legislative proposal for company disclosure of their environmental and social performance.
6. CSR should be integrated in education, training and research with potential funding possibilities.

7. EU member states should present and update their national CSR strategies and
8. CSR should be aligned and embedded in other international programs, including the OECD Guidelines for Multinational Enterprises, the 10 principles of the UN Global

Compact, the UN Guiding principles on Business and Human Rights, ILO and ISO 26000 standards.

Considering the definition and strategy lined out by the Commission, it becomes evident that CSR will be a focal issue in succeeding years and that all effort is taken to make CSR more verifiable, better known and more widespread.

Even though CSR is not a completely new topic, an increased public awareness regarding social responsibility of companies started to develop during the late 50's and early 60's of The 20th century. This led to new literature about Corporate Social Responsibility (CSR) as well as to models for corporate conduct. During this era, managers started to ask themselves what was expected of them by society and what their responsibilities ought to be. However, many believed that business and ethics are two contradictory terms and that they are therefore difficult to combine. M. Friedman (1970) for instance argued that CSR served solely the personal benefit of company managers in raising their reputation in society, thus leading to higher personal wages, while shareholders would experience loss because companies were not profiting from CSR activities as these activities would incur only expenses. He argued that businesses should focus only on increasing their profits and not on adding value to society in general. This reasoning was in line with the market driven approach coined by Adam Smith: The invisible hand of free markets would produce best results if all agents would strive to maximize their profits.^{xi}

In this context, one issue that has frequently been addressed is the question, for what and to whom companies actually are responsible when pursuing business. A radically different view have those who argue that a company is responsible for all of its stakeholders and should take greater responsibility for society at large and should seek to solve social and environmental problems in its markets^{xii}. In other words, this view has expanded the definition of 'stakeholders', beyond merely the investors and shareholders, to include all of society. The stakeholder concept was described in a detailed way by E. Freeman (1984). Freeman argued that managers should tailor their policies to satisfy the needs of all the stakeholders, not just those of the shareholders. In this approach, CSR became a strategic mandate for business leaders and thus a favourable task also for the top management level.^{xiii}

Ever since, the stakeholder concept has been fine-tuned, and more and more systematic research has been done on the different constituents that should be taken into consideration. According to Carroll and Buchholtz (2003), the stakeholders can be subcategorized into primary stakeholders, consisting of shareholders (owners), employees, customers, business partners, communities, future generations and the natural environment; and secondary stakeholders, made up of the local, state and federal government, regulatory bodies, civic institutions and groups, special interest groups, trade and industry groups, media and competitors.^{xiv} However, the categorization is rather arbitrary and, for the sake of SMEs, the stakeholder concept should be adapted to the Individual circumstances of the company. Since budgets, personnel, and available time for strategic evaluation are usually limited, SMEs should identify key stakeholders and should cater their CSR approaches to an easily comprehensible scope of stakeholders.

Donaldson (1990) went a step further: According to him, managers were not only to engage in CSR activities because of strategic reasoning, but rather because of the existence of a "moral mandate" for them to act responsibly, without regard to the effects on the company. However, he also stated that there is a "Business Case" for CSR.^{xv} Jones (1995) describes the mutual benefit of CSR activities for businesses and their stakeholders, in particular for the stakeholders: Since firms display responsibility by their CSR involvement, they are perceived as trustworthy and thus as safe market transaction partners.^{xvi} One can take this approach a step further and can conclude that companies not involved in CSR will not be attractive to customers, employees, suppliers and other stakeholders, because there is a lack of trust: the company is seen as a profit-maximizing organization with little or no regard to the needs of its business partners or customers and hence unattractive to do business with.

Nowadays, however, researchers and authors agree that the address of ethics is crucial to the enhancement of long-term corporate success. Therefore, business ethics has received enormous attention, and numerous books have been written about this subject during the last twenty years. Especially in large companies and due to globalization, there is increased pressure on companies and managers to act ethically and socially responsible. Through the internet, television and press, most

customers are aware of issues such as child labour, exploitation of workers, destruction of the environment, etc. As a result, pressure from different stakeholders along with massive media coverage has forced many companies to take action in order to protect their public reputation.

Currently, corporate responsibility is the second most important factor in a company's reputation next to the quality of products. According to some scientific research, customers do not evaluate companies based only on the features of their products and services, but also on what business practices they are engaged in, how their products are produced, and what effect on society the company has^{xvii}. Consequently, issues such as animal testing, environmental damage, irresponsible marketing, violation of land rights, trade union relations, fair wages and working conditions have become highly important for companies to consider since corporate actions now play a central role in customer decision-making. Moreover, managers have realized the enormous costs that public scandals generate such as disruptions, expensive legal entanglements, lower employee morale, and difficulties in recruiting, internal fraud and loss of public confidence.^{xviii}

Even though there have been a number of scientific articles about the different aspects of CSR – theoretical and empirical approaches – the research is still at an early stage. In one article, the state of knowledge in this field is even described as “embryonic”.^{xix} However, scientific examination has already taken place and should be considered.

III. The indirect approach to measure the impact of CSR on Business Performance As outlined in the first chapter, the IQM model provides a modern and intuitive approach to integrate CSR activities into the observation of Business Performance and the measurement of Business success on a sustainable foundation. Some companies have already implemented new CSR strategies linked with IQM evaluation. For example, in 2011, the operator of the Fervency Liszt airport in Budapest announced that, together with business partners, it had developed and deployed a CSR strategy based on the IQM model. The name given to this undertaking was “Committed to CSR excellence”, thus combining the ideas of quality with its aim for excellence and CSR. According to the company, the aim was not only to implement a fitting strategy for the airport industry (the stated goal was to develop three successful CSR activities within one year), but also to be an example to other Hungarian companies, thus leading by example.^{xx}

Furthermore, the IQM model provides an ideal framework for the measurement of CSR activities and their influence on Business Performance, in the sense that the model provides guidelines regarding how much weight should be given to different “enablers” and “results” criteria within the overall performance measurement.

But how can the CSR component in the evaluation of Business Performance be isolated? First, one needs to identify the contribution of CSR to each examined criteria. Second, since the affected criteria are closely linked to known stakeholders, relevant data of these stakeholders must be collected. An effective method of obtaining data on the basis of the stakeholder concept is the collection of data by means of interviewing different groups, for example in the form of a questionnaire. The satisfaction levels of different stakeholder groups in this concept are the dependant variables, whereas the cumulated CSR activities resemble the independent variable in this simple regression analysis with only one repressor (the CSR activities). In the data collecting process of the *dependent variable*, the stakeholder satisfaction level, it will be important to eliminate other factors that contribute to the satisfaction level of the examined groups. These factors are e.g. wage, gratification programs, retirement programs, carrier opportunities, an ergonomic workplace and many more. For this reason, the questionnaires must be clearly focused on the effect of only the CSR activities on stakeholder satisfaction. In the case of an employee questionnaire, this can be achieved by formulating questions such as:

- “Are you aware of the fact that your company has participated in program x?”
- “Do you approve of the company’s involvement in program x?”
- “Does the involvement of the company make you think better of the company?”

“Do you think your company should do more such activities? In which areas?”

However, although these questions will already generate some useful information as far as the acceptance and also effects of CSR activities are concerned, they do not automatically offer useful data for an econometric analysis. For this means, another necessary step must be taken: The collected data must be transferred onto a cardinal scale. For this reason, a model must be developed which accounts for all relevant aspects of the effects of CSR activities on the satisfaction level of a number of different stakeholders and, in a further step, on the satisfaction level of all stakeholders. This will be done by first

determining satisfaction levels for various stakeholders and then computing a weighed averaged of all satisfaction values in order to obtain a single value which will be used to perform econometric tests:

On the side of the *independent variable*, the CSR activities, a similar process must be developed. The activities of the company must be transferred into and displayed on a cardinal scale. But how should one measure CSR activities of various companies with differing sizes and, furthermore, how can CSR activities and the impact on stakeholder satisfaction levels be compared? Since companies vary in size and business branch, an optimal solution would be to measure CRS as a budget share of all business expenses per a selected observation period (CSRE). A plausible econometric model equation therefore would be:

In this equation the parameter α describes the value for the intercept parameter, β the influence of CSR expenditures on SSL_{tot} and ϵ depicts an error term. The explanatory parameter β shows the influence of a 1% increase of CSR expenditure on the explained variable, SSL_{tot} . This procedure provides essential information for managers and business owners when CSR budgets are determined. The concept is rather straight-forward and easy to handle once relevant stakeholders are determined and a conclusive concept measuring satisfaction levels is established.

Conclusion and prospects

Can the impact of CSR on Business Performance be measured? Yes, it can. However, an indirect approach must be chosen. Although it is virtually impossible to subtract out the influence of CSR on Business Performance directly, it is possible to determine the influence of CSR on different stakeholders of the company by using a new approach: It is necessary to measure changes in stakeholder satisfaction levels due to investments in Corporate Social Responsibility. In a further step, a company must then determine how much it should value a rise in SSL_{tot} . The IQM system provides a useful model to establish the value of corresponding soft factors for long term business success. Further study could focus on the determination of an optimal CSR budget which would provide companies with useful information in their struggle to integrate CSR into their overall business strategies.

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A Study On Talent Management Practices Of Select Companies In India

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Abstract

India is a one of powerful strength in today's global marketplace. This is the second fastest growing economy in the world, India is one of the largest consumer markets worldwide, with a rapidly expanding middle class in a population of more than 1.2 billion people. In recent years, with the influence of many multinational corporations in India, Western and global business values are following the Indian market and workplace, causing a shift in Indian human resource management (HRM). There is huge competition for talent in India's companies, and at the same time, the need to balance local and global HRM policies and practices in a country where tradition continues to play a large part in people's lives.

Talent Management" has become one of the most important buzzwords in Corporate HR and Training today. Talent management is the science of using strategic HR to improve business value and make it possible for companies and organizations to reach their goals.

The objective of the article is firstly, to find out the various challenges and trends of talent management & secondly, to identify the different ways of attracting, developing and retaining talent. and use of talent management practices followed in the organizations, including Multinational Corporations in India.

KEYWORDS: Human Resource, Talent management, Talent development

Talent is a term used to define highly skilled workers. These individuals possess significant job experience in their functional areas and a strong knowledge of the industry they work in. Talent management is a set of entrepreneurial human resources processes and practices ensuring the sustainable effectiveness of the most skilled workers within an organization. Talent management is highly strategic. It aims at maintaining the company's innovation and performances relying on the long term capacity of its human resources. An effective talent management is one of the highest valuable assets an organization can have. If talent management is performed professionally it can become an organizations backbone for economical success. Talent management comprises three major pillars: Talent Acquisition, Talent Development and Talent Retention. However there are many more sub processes which are part of talent management: talent identification, sourcing, assessment..They are listed in our third part on"

Importance of Talent Management:

Now-how, innovation and experience constitute the main advantages that organizations can have over their competitors. The most talented employees drive these advantages.

Therefore talent management should focus on the organization's talent: the most skilled and experienced individuals. Attracting, developing and retaining talent is fundamental to a company remaining ahead of its competition.

Many studies are forecasting a shortage of talents for the near future. One of the main reasons is the demographical trend happening in the developed countries. The World Economic Forum has researched this in depth: "To sustain economical growth, by 2030 the United States will need to add more than 25 million workers and Europe will need to add more than 24 million employees...almost all

industries and countries will require sizeable increases in the percentages of highly educated people in their workforces"

As a consequence talent management is becoming a growing concern for HR professionals.

A holistic approach to talent management should target on finding and attracting the best talent in the market with a superior talent acquisition tool kit: talent sourcing, employer branding, headhunting, talent pools, referrals etc (a talent acquisition strategy can be seen as an answer to the "War for Talents"), on the other side, it needs a talent strategy around training and development to train, coach and mentor existing talent (referred to as "Make talents, not War").

What are the Processes to Manage Talent Successfully?

If talent management is executed correctly it can have a strategic impact on an organization. Good talent management involves much more than simply "attracting, developing and retaining" talent.

The Human Resources function is a patchwork of several specialty functional areas of expertise each requiring a solid understanding and discipline. These functional areas are typically considered to be:

- Workforce & Succession Planning (Talent Attraction & Recruiting)
- Performance Management (Learning & Development)
- Compensation & Benefits

To manage talent successfully, all these silos need to be fully integrated and have to work together.

At first Workforce and Succession Planning defines future talent needs by quantity and qualifying needs according to the business strategy of an organization. Performance Management delivers an overview of the already existing talent while Talent Acquisition and Recruiting should close the identified gaps in the "Talent map". Talent Acquisition should also include areas like Employer Branding.

As a best practice it is highly recommended that companies use the support of an RPO firm for their Talent Acquisition considering the specialized nature and expertise RPO providers use for finding the best external talent in a competitive market.

Rely on a strategic partner.

Learning and Development programs should coach and train existing talent to become the future leaders of an organization who are able to use their talent to deliver excellence in performance.

In line with all of these programs there has to be an effective compensation policy. High performance talent requires an adequate compensation package which demonstrates that their commitment and accomplishments (achieved results) is also being acknowledged through monetary benefits.



Talent Management in organizations 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 organization's requirements simultaneously. For instance, if an organization 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 organization. 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 full-fledged process that not only controls the entry of an employee but also his or her exit.

We all know that it's people who take the organization to the next level. To achieve success in business, the most important thing is to recognize the talent that can accompany you in achieving your goal. Attracting them to work for you and strategically fitting them at a right place in your organization is the next step. It is to be remembered that placing a candidate at a wrong place can multiply your problems regardless of the qualifications, skills, abilities and competency of that person. How brilliant he or she may be, but placing them at a wrong place defeats your sole purpose. The process of talent management is incomplete if you're unable to fit the best talent of the industry at the place where he or she should be.

Some organizations may find the whole process very unethical especially who are at the giving end (who loses their high-worth employee). But in this cut-throat competition where survival is a big question mark, the whole concept sounds fair. Every organization requires the best talent to survive and remain ahead in competition. 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!**

It could just include a simple interview of all employees conducted yearly, discussing their strengths and developmental needs. This could be utilized for mapping people against the future initiatives of the company and for succession planning. There are more benefits that are wide ranged than the ones discussed above. The benefits are:

- **Right Person in the right Job:** Through a proper ascertainment of people skills and strengths, people decisions gain a strategic agenda. The skill or competency mapping allows you to take stock of skill inventories lying with the organization. This is especially important both from the perspective of the organization as well as the employee because the right person is deployed in the right position and employee productivity is increased. Also since there is a better alignment between an individual's interests and his job profile the job satisfaction is increased.
- **Retaining the top talent:** Despite changes in the global economy, attrition remains a major concern of organizations. Retaining top talent is important to leadership and growth in the marketplace. Organizations that fail to retain their top talent are at the risk of losing out to competitors. The focus is now on charting employee retention programs and strategies to recruit, develop, retain and engage quality people. Employee growth in a career has to be taken care of, while succession planning is being performed those who are on the radar need to be kept in loop so that they know their performance is being rewarded.
- **Better Hiring:** The quality of an organization is the quality of workforce it possesses. The best way to have talent at the top is have talent at the bottom. No wonder then talent management programs and trainings, hiring assessments have become an integral aspect of HR processes nowadays.
- **Understanding Employees Better:** Employee assessments give deep insights to the management about their employees. Their development needs, career aspirations, strengths and weaknesses, abilities, likes and dislikes. It is easier therefore to determine what motivates whom and this helps a lot Job enrichment process.
- **Better professional development decisions:** When an organization gets to know who its high potential is, it becomes easier to invest in their professional development. Since development calls for investment decisions towards learning, training and development of the individual either for growth, succession planning, performance management etc, an organization remains bothered where to make this investment and talent management just make this easier for them.

Apart from this having a strong talent management culture also determines how organization rate their organizations as work places. In addition if employees are positive about the talent management

practices of the organization, they are more likely to have confidence in the future of their organization. The resultant is a workforce that is more committed and engaged determined to outperform their competitors and ensure a leadership position in the market for their organization.

Talent Management 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:** It is the preparatory stage and plays a crucial role in success of the whole process. The main objective is to determine the requirement of talent. The main activities of this stage are developing job description and job specifications.
- **Sourcing the Talent:** This is the second stage of talent management process that involves targeting the best talent of the industry. Searching for people according to the requirement is the main activity.
- **Attracting the Talent:** it is important to attract the talented people to work with you as the whole process revolves around this only. After all the main aim of talent management process is to hire the best people from the industry.
- **Recruiting the Talent:** The actual process of hiring starts from here. This is the stage when people are invited to join the organization.
- **Selecting the Talent:** This involves meeting with different people having same or different qualifications and skill sets as mentioned in job description. Candidates who qualify this round are invited to join the organization.
- **Training and Development:** After recruiting the best people, they are trained and developed to get the desired output.
- **Retention:** Certainly, it is the sole purpose of talent management process. Hiring them does not serve the purpose completely. Retention depends on various factors such as pay package, job specification, challenges involved in a job, designation, personal development of an employee, recognition, culture and the fit between job and talent.
- **Promotion:** No one can work in an organization at the same designation with same job responsibilities. Job enrichment plays an important role.
- **Competency Mapping:** Assessing employees' skills, development, ability and competency is the next step. If required, also focus on behaviour, attitude, knowledge and future possibilities of improvement. It gives you a brief idea if the person is fit for promoting further.
- **Performance Appraisal:** Measuring the actual performance of an employee is necessary to identify his or her true potential. It is to check whether the person can be loaded with extra responsibilities or not.
- **Career Planning:** If the individual can handle the work pressure and extra responsibilities well, the management needs to plan his or her career so that he or she feels rewarded. It is good to recognize their efforts to retain them for a longer period of time.
- **Succession Planning:** Succession planning is all about who will replace whom in near future. The employee who has given his best to the organization and has been serving it for a very long time definitely deserves to hold the top position. Management needs to plan about when and how succession will take place.
- **Exit:** The process ends when an individual gets retired or is no more a part of the organization.

Talent Management - Opportunities and Challenges

There is no dearth of professionals but there is an acute shortage of talented professionals globally. Every year b-schools globally churn out management professionals in huge numbers but how many of are actually employable remains questionable! This is true for other professions also.

Now if we discuss the problem in the global context, it's the demographics that needs to be taken care of primarily and when we discuss the same in a local context the problem becomes a bit simpler and easier to tackle. Nonetheless global or local at the grass roots level talent management has to address similar concerns more or less. It faces the following opportunities and challenges:

- Recruiting talent
- Training and Developing talent
- Retaining talent
- Developing Leadership talent
- Creating talented ethical culture

1. Recruiting Talent

The recent economic downturn saw job cuts globally. Those who were most important to organizations in their understanding were retained, other were sacked. Similarly huge shuffles happened at the top leadership positions. They were seen as crisis managers unlike those who were deemed responsible for throwing organizations into troubled waters. It is the jurisdiction of talent management to get such people on onboard, who are enterprising but ensure that an organization does not suffer for the same.

2. Training and Developing Talent

The downturn also opened the eyes of organizations to newer models of employment - part time or temporary workers. This is a new challenge to talent management, training and developing people who work on a contractual or project basis. What's more big a challenge is increasing the stake of these people in their work.

3. Retaining Talent

While organizations focus on reducing employee overheads and sacking those who are unessential in the shorter run, it also spreads a wave of de motivation among those who are retained. An uncertainty about the firing axe looms in their mind. It is essential to maintain a psychological contract with employees those who have been fired as well as those who have been retained. Investing on people development in crisis is the best thing an organization can do to retain its top talent.

4. Developing Leadership Talent

Leadership in action means an ability to take out of crisis situation, extract certainty out of uncertainty, set goals and driving change to ensure that the momentum is not lost. Identifying people from within the organization who should be invested upon is a critical talent management challenge.

5. Creating Talented Ethical Culture

Setting standards for ethical behavior, increasing transparency, reducing complexities and developing a culture of reward and appreciation are still more challenges and opportunities for talent management.

(Since an opportunity is the other face of challenge and vice versa, the words challenge and opportunity have been used interchangeably in the article)

Current Trends in Talent Management

The guidelines for Talent Management would be the following:

- Developing employees.
- Redeploying employees.
- Retaining the best talent.

Yes, the prime focus of talent management is enabling and developing people, since the quality of an organization is determined by the people it employs and has onboard. After hiring and deploying we may say that retaining and nurturing talent is quintessential.

Talent management also known as human capital management is evolving as a discipline that encompasses process right from hiring people to retaining and developing the same. So it includes recruitment, selection, learning, training and development, competency management, succession planning etc. These are all critical processes that enable an organization to compete and stand out in the market place when managed well!

How to Build an Integrated Talent Management Strategy

The human resource professionals are the cornerstone of any organizations. They not only solve business problems today but also participate in strategic aspects of the organization; talent management is one of them.

Formulation of a talent management strategy is the responsibility of the HR function. This is often done in consultation with the business function. Be it talent mapping and planning or performance, recruitment and retention the human resource professionals of the day are seeking out ways to streamline and integrate their functions with the broader business functions.

Needless to mention now, organizations require an integrated approach to talent management. There is a need to strategize in HR functions to enable and support the business functions. Some strategies in this direction could be:

- **Aligning Business strategies with the HR strategies:** Business HR is one function that is developing fast as part of the human resource department. The person is responsible for ensuring a smooth relationship between business and HR functions. They work with business heads to develop people strategies to support both short term and long term business objectives.
- **Performance Planning and Evaluation:** An integrated HR approach means that are uniform and standard procedures for employee performance evaluation and compensation, up and down the organization. Performance is linked to growth and the process adds value for employees to evaluate their work on their own. Indian digital disk giant Moser Baer employs such process.
- **Strategic Manpower Planning:** HR and Business function are interrelated. None can exist without the other. HR functions need to work in collaboration to assess current and future manpower requirements are plan for the same. They need to strategize on the approximate manpower requirements, the relevant skills and educational qualification, compensation and the like. This has to happen well in advance. Recruitment itself means a host of other activities like training and development, compensation, induction and orientation etc.
- **Mapping your Talent:** An ever increasing emphasis is being laid on identifying the top performing and talented employees to think of ways to develop, nurture and retain them. Further organizations also like to keep skill inventories for contingencies. As organizations realize the skills and abilities of individuals, they can then be more focused on devising means and strategies to attract, develop and retain these people.

Application of Talent Management in Current Economic Condition

The current economic conditions demand a cut in the expenses. Unfortunately enough for talent management though organizations and leadership is all praise for it on papers, the same is neglected as seen as a cost center when it comes to implementation.

- As per industry statistics only five percent of organizations possess a talent management strategy that is operational! In another ten percent the concept has just begun to develop.
- Aging workforce is another area of concern that has created vacuums in organizations leadership positions.
- Organizations also report shortage of talent business line managers.
- All this has opened up avenues for HR professionals for vindicating their stand on talent management and once organizations understand that they need an integrated approach to talent management, the involvement of a top executive is important for driving success.
- The top executive who now heads the talent management function is responsible for activities like succession planning, leadership development, career development, performance management, learning and development, recruitment etc. Having said this we again arrive upon the question of relevance.

- **Developing Leadership Pool:** Succession planning and leadership development are two issues that have felt a sense of urgency after the recent economic downturn. Organizations have been seeking leadership positions to rescue them out of crisis.
- **Performance Management:** After succession planning and leadership development, performance management comes next on the list. Without a thorough and standard way to measure performance it is not possible to promote right people to right positions and motivate them to perform for organizational growth and development.
- **Recruitment assumes significance:** Recruitment becomes strategic so to say. Recruitment practices determine organizational effectiveness. In a tight labor market it a daunting task to attract the brightest talent towards your organization and then getting them onboard. Internet has become an important source of external recruiting. Systems and standards have been laid down for the same. Here building an employer brand is important. Those who do, get right people onboard.
- **Skill based Manpower Planning:** Manpower planning is a strategic HR process these days. Instead of a mere headcount based hiring; manpower planning now extends to the locating critical skills, roles and responsibilities and then ascertaining current and future talent needs for those roles.

Current Trends in Talent Management

If you ask me for the guidelines for talent management, my response would be the following:

- Developing employees.
- Redeploying employees.
- Retaining the best talent.

Yes, the prime focus of talent management is enabling and developing people, since the quality of an organization is determined by the people it employs and has onboard. After hiring and deploying we may say that retaining and nurturing talent is quintessential.

Talent management is now looked upon as a critical HR activity; the discipline is evolving every day. Let's analyze some trends in the same.

- **Talent War:** Finding and retaining the best talent is the most difficult aspect of HR management. HR survey consultancies are one in their view that organizations globally are facing a dearth of talented employees and it's often more difficult to retain them. Further research has also shown that there is clear link between talent issues and overall productivity.
- **Technology and Talent Management:** Technology is increasingly getting introduced into people development. Online employee portals have become common place in organizations to offer easy access to employees to various benefits and schemes. In addition employees can also manage their careers through these portals and it also helps organizations understand their employees better.
- **Promoting Talent Internally:** An individual is hired, when there is a fit between his abilities or skills and the requirements of the organization. The next step is enabling learning and development of the same so that he/she stays with the organization. This is employee retention. An enabled or empowered means an empowered organization.

It is also of interest to organizations to know their skills inventories and then develop the right individual for succession planning internally.

- **Population Worries Globally:** World populations are either young or aging. For example, stats have it that by 2050 60% of Europe's working population will be over 60! On the other hand a country like India can boast of a young population in the coming and present times. Population demographics are thus a disturbing factor for people managers. Still more researches have predicted that demographic changes in United States will lead to shortage of 10 million workers in the near future!

Women Empowerment- Strategies And Policies For Empowering Women

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ABSTRACT

Dependent women are not empowered women. If women think just that being highly educated and employed they are empowered, it is a myth. The term covers a vast landscape of meanings, interpretations, definitions and disciplines ranging from psychology and philosophy to the highly commercialized self-help industry and motivational sciences. Women have to awake from deep slumber and understand the true meaning of empowerment. Empowerment is the process of enabling or authorizing individual to think, take action and control work in an autonomous way. It is the process by which one can gain control over one's destiny and the circumstances of ones lives. Empowerment includes control over resources (physical, human, intellectual and financial) and over ideology (beliefs, values and attitudes). (Baltiwala, 1994).

It is not merely a feel of greater extrinsic control, but also grows intrinsic capacity, greater self-confidence and an internal transformation of one's consciousness that enables one to overcome external barriers to accessing resources or changing traditional ideology (Pinto, 2001).

The present paper focus on health and safty methods of women , strategies of empowering daily women and polices taken by the government to empowering women.

key words: women, empowerment, work, strategies

INTRODUCTION:

There is no chance for the welfare of the world unless the condition of women is improved. "It is not possible for a bird to fly on only one wing," said Swami Vivekananda. But through centuries, societies in the world over have been trying to fly on only one wing, denying women their rightful place. The greatest champions of women's rights have been great men like Gandhiji, Raja Rammohun Roy, Ishwarachandra Vidyasagar, Maharshi Karve and ironically those who have systematically exploited and degraded them have also been of a largely-male dominated society. The very concept of women empowerment shows that society as such has given a raw deal to women – who comprise nearly fifty percent of the population and women themselves have to come forward to fight for their rightful place in all walks of life and prevent their exploitation in every field. Women, who number 498.7 million according to the 2001 census of India, represent 48.2 percent of the country's population of 1,027.01 million. Let us analyse the ways and means for empowerment of women.

CONCE CONCEPT OF WOMEN EMPOWERMENT: Women's empowerment is very essential for the development of society. Empowerment means individuals acquiring the power to think and act freely, exercises choice and fulfill their potential as full and equal members of society. As per the United National Development Fund for women (UNIFEM), the term women's empowerment means:

- Acquiring knowledge and understanding of gender relations and the ways in which these relations may be changed.
- Developing a sense of self-worth, a belief in one's ability to secure desired changes and the right to control one's life.
- Gaining the ability to generate choices exercise bargaining power.
- Developing the ability to organize and influence the direction of social change, to create a more just social and economic order, nationally and internationally.

NEED FOR THE STUDY:

Empowering Women aims to inspire women with the courage to break free from the chains of limiting belief patterns and societal or religious conditioning that have traditionally kept women suppressed and unable to see their true beauty and power. There is a pertinent need to empower women and the competitiveness of the country depend on the capability of its women who constitute

more than half of the Indian population. This enormous contribution to the country will greatly heighten the country's advancement.

OBJECTIVES OF THE STUDY:

The objective of the study is to examine the various strategies to develop the women empowerment and also to study the policies that are taken by the government to empower the women in the society.

SOURCES OF DATA COLLECTION:

There are two types of data collection methods i.e. primary data and secondary data. The present data have been collected totally from secondary data such as different journals, research studies and books.

HEALTH AND SAFE MOTHERHOOD:

Women's health is another important issue under Human Resource Development and also highest prioritized area in family welfare programs. However, the accumulated research evidences show that the achievement levels in providing better health care and safe motherhood for women, especially for rural women, are not at expected levels. In India, the highest number of deaths in the age group of 16 to 25 is recorded among women. Anaemia is one of the most commonly found deficiency among the women and it is also mentioned by several studies that they are often not too healthy when they bear the first child and none of them are physically ready to bear a second child. A pathetic reality is that nearly 88 percent of the pregnant women (1985-95) reported to be anaemic. World Health Organization figures also show that the lifetime risk of dying from pregnancy or child-birth-related causes is one in twenty in some developing countries, compared to one in ten thousand in some industrialized countries. About one in five of these deaths stem from unsafe abortions.

The available data says that in India about 20 percent of the women in the age group of 15-49 years are at the risk of unintended pregnancy. Coming to anti-natal care only 10 percent of the pregnant women receive it on an average in rural India. In this regard Tamil Nadu, Himanchal Pradesh, Karnataka, Punjab, West Bengal is in better position than other states. Nearly 33 percent of the babies are under low birth weight category. During 1993, 5.5 percent stillbirths are recorded at all India level and this percentage is more in Bihar and West Bengal (around 15%). The reasons for such high percentage of stillbirths are usually associated with low age of mother, poor nutritional level of women and low utilization of primary health care.

Women are particularly vulnerable to Sexually Transmitted Diseases (STD), including AIDS and their bodies are also at risk of being infected with HIV in the womb. In this area statistical information is not available. However, World Health Organization report says that during 1997 there were about 4,100,000 people in India found to be infected with HIV. Out of this total experts are assuming that 50 percent will be women. However, with World Bank/World Health Organization aid several special programs were initiated to create awareness about this dreadful disease the achievement is said to be at below minimum level.

STRATEGIES OF EMPOWERING DALIT WOMEN:

Empowerment of the Dalit women is a means to poverty alleviation. The goals of poverty eradication can be effectively achieved if Dalit women could be organized into groups for community participation as well as for assertion of their rights. Any strategy of sustainable development relating to poverty eradication has to involve the large number of poor women. Social mobilization and building organization of the poor are essential prerequisites for poverty alleviation. There are several strategies, which enable overall development of Dalit women. The following strategies were found more effective for overall development.

A. EMPOWERMENT OF WOMEN THROUGH DWCRA/SHG APPROACH :

Women's empowerment is used to alleviate poverty and other socio-economic issues. Self-Help movement through thrift and savings has been taken up as a mass movement under the government program of development of women and children in the Rural Areas (DWCRA), some of the State Governments assisted these self-help groups by providing revolving fund and helping them in micro-enterprise activities. DWCRA program of self-help groups helped the women to earn additional income. With improvement in economic status, there is enhancement in social status as well. These women show increased awareness of family welfare, promote their children's nutritional and

educational status, shows concern about environment and health, issues of sanitation and drinking water.

B. EMPOWERMENT OF WOMEN THROUGH EDUCATION AND TRAINING :

The Non-Government Organization (NGOs) plays a significant role in the area of education. To large extent the NGO activities have been confined to non-formal education sector. Now a partnership is emerging between the NGOs in the area of basic education as seen in the model of Lok Jumbish, a government-sponsored project for primary education in Rajasthan. Various NGOs are participating in the formal education sector, for example, Action Aid, Plan International, Aga Khan Foundation etc. NGO action in primary education emphasizes delivery system of quality education to the marginalized people like, poor women and girls. Programs of formal and non-formal education are emphasized by the government in collaboration with local NGOs and the communities.

The NGOs use the strategy of popular education in spreading knowledge among people. This is seen in people's participation in developing "IEC" (Information, Education and Communication) package of spreading knowledge about HIV/AIDS, health promotion, environmental risks, etc. In the popular education, cultural forms of education are used like, drama, music, stories, etc. Popular education is effective in increasing awareness towards various social issues like, immunization, girls' education, sexual harassment, etc. Popular education can be applied anywhere, adapting to local context, the ideology and culture of the people with in the existing political system. Thus, the NGOs can play a significant role in empowering women through education and training and it is also the basis in the strategy of women's participation in political field.

C .POLITICAL PARTICIPATION AND EMPOWERMENT :

Women are poorly represented at different levels of political life and decision-making. Thus, there is widespread neglect of women's priorities by politicians and bureaucrats. As per the Human Development Report, 1999 women hold only 12.7 percent of the world's parliamentary seats and only 8.7 percent of those in the least developed countries. In India, the process of politically empowering through reservation in the local bodies has helped in the wider mobilization. On many occasions, elected women have provided the leadership for organizing women and get their legitimate demands fulfilled like, widow pensions, gas connections, etc.

GOVERNMENT POLICIES AND WOMEN EMPOWERMENT

A. RESERVATIONS :

The policy of reservations has helped mostly those who are now in the higher income groups; but only less than 5 percent in rural areas got jobs through reservations (Selvanathan, 1989). Data from Tamil Nadu show that the Scheduled Castes Hindus are somewhat better represented in the higher occupational categories compared to the Scheduled Castes Christians. This might be because of the reservations policy that benefits Hindus and not Christian Scheduled Castes (Balakrishnan, 1993). Unfortunately, implementation of reservation policies has so far not been fully satisfactory (Vijayendre & Pradeep, 1982). Scheduled Castes are conscious of the ineffectiveness of the policies of protective discrimination of the government, since the advance of Scheduled Castes is often blocked by stubborn social forces. The civil rights enforcement cell that is expected to look into the non-implementation of reservations and economic deprivations of the Scheduled Castes is more a laughing stock than a helpful agency as it has no power to investigate and proceeds further (Khan, 1993).

B. CONCESSIONS:

To enable the Scheduled Castes to secure professional jobs, a number of concessions are given to them: some of these are, relaxation in age, payable fee, standard of suitability, experience and qualification (Brochure, 1988), Chitnis (1986) suggests that social class considerations and vested interests seem to operate imperceptibly in the manner in which requirement for the several occupational positions available in society are defined. Requirements are not defined purely in terms of knowledge or skill required. Expectations regarding "suitable" manners, bearing, behaviour, values, style of life, and functioning are subtly involved in such a manner that the nexus between social class/family background and occupational placement is retained. Hence, one of the relaxations of rules for jobs is that Scheduled Castes be interviewed separately to ensure that they are not judged in comparison with other general candidates (Rozika, 1982).

C. SOCIAL LEGISLATION:

The various laws were enacted to raise the social status of women have failed to remove social prejudices and social inequalities. In India, laws are violated with impunity without fear of any deterrent action or social disapproval. Everyday we read in the newspaper about dowry deaths, rape, abduction, trafficking of women, sexual harassment at work place and eve teasing in buses and streets.

Pattern of crime rates of 1999 over 1998 shows a slight drop in dowry deaths from 6975 to 6696, but much of these cases go unreported (NCRB 1998-99). Half the number of women in India is killed in their bedrooms or one woman is killed every 102 minutes in the name of dowry. In India, 6000-dowry murders are committed each year. This really exists even though the dowry prohibition act has been in existence for 41 years and there are virtually no arrests under the act.

In India, Indian Penal Code sections 354 (Criminal assault of women to outrage women's modesty) and 509 (word, gesture or act intended to insult the modesty of woman) provide relief to victims of sexual harassment. Still, with the interpretation largely left to the discretion of the police officer, women groups have since the early 1980's voiced their protest against the malice. The Protection of Women Against Sexual Harassment at the Workplace Bill 2007 is designed to defend women against sexual abuse.

CONCLUSION:

The concept of empowerment of women means psychological sense of personal control in the persons, domestic, social and political realms. It is a process by which one is authorized to think, act and control resources in an autonomous way. On an average a woman works 15 to 16 hours a day unpaid at home and underpaid outside. Among strategies for women empowerment, Government policies such as 73 and 74th amendment of Indian Constitution, Reservation policies, concessions, social legislation and enactment of certain acts were found to be very important. However, the effect of such strategies failed to reach the target due to various bureaucratic and systemic failures.

A Study On Customer Satisfaction Towards Banking Services Offered By Selected Commerical Banks In Narasaraopet, Andhra Pradesh

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ABSTRACT

Banks are the mart of the world, the nerve centre of economics and are also the barometer of the nation's property. Indian banking structure is so designed with is suitable for the diversified needs of the people, industry, and agriculture and in all walks of life. Indian banking industry is again facing stiff competition especially, the public sector banks. The following were the problems faced by the public sector banks-overstaffing, resistance to adopt new technology, access to new products and services developed worldwide in recent years, skilled manpower, smaller size, excellent customer service to the developed, new business and operating models, risk management practices and global best practices. Because, they may not have the type of flexibility that is possessed by Indian private sector banks and foreign banks operating in India, the entry of private sector banks has posed the challenge of competitive environment to the major commercial banks.

The major differentiating parameter that distinguishes foreign banks from all other banks in India is the level of service that is offered to the customer understanding the needs, pre-empting customers with delight, and offering a wide portfolio of products, services and benefits with the introduction of technology, service standards in banking industry have improved to a gap between it. The common cause for complaints received were that passbooks were not filled up immediately, hand writing was not legible, cheque books were not issued immediately, delay in receiving payments, delay in collection of outstation cheques, bank staff not conversant with the bank schemes and charging high rate commissions etc.

Key Words: Banks, Public Sector Banks, Foreign Banks, IT driven services etc.

INTRODUCTION:

Customer is defined in the words of Sir John Paget, "to constitute a customer a customer, there must be recognizable course or habit of dealing in the nature of regular banking business". Indian banking witnessed a enormous change after the Industrial Policy of 1991. Customers do not have much knowledge of the banking sector. But after the Industrial policy, with the entry of more private and foreign banks, the whole scenario changed. The Financial Sector has already been opened. The modern and efficient looking new generation banks have begun capturing the market. Moreover, foreign banks have been permitted to open 20 branches a year now in the place of 12 branches. The last decade has been many proposals placed before the government for opening up of the banking sector to foreign investments i.e. with regard to cap on voting rights to foreign investor, permission for the foreign investor to hold 74% of the stake in Indian private banks, local subsidiaries of foreign banks to be treated at par with the domestic banks after 2009. These moves for opening of banking sector calls for improvement in the domestic banks which has been under attack for a long time. The major differentiating parameter that distinguishes foreign banks from all other banks in India is the level of service that is offered to the customer understanding the needs, pre-empting customers with delight, and offering a wide portfolio of products, services and benefits with the introduction of technology, service standards in banking industry have improved to a gap between it. The common cause for complaints received were that passbooks were not filled up immediately, hand writing was not legible, cheque books were not issued immediately, delay in receiving payments, delay in collection of outstation cheques, bank staff not conversant with the bank schemes and charging high rate commissions etc.

The Goiporia Committee on customer service appointed by the RBI had examined such issues and made recommendations for improving the services provided by banks. Some of these recommendations were implemented by the Indian Commercial Banks and as a result, the complaints of bank customers were taken care of. Late Mr. M.R. Pai said "the biggest asset on the balance sheet

of banks today is ignorance of the customers. They are ignorant of their own rights, and even if they are aware, they are reluctant to fight for their rights. Due to obligation and WTO, banking has undergone a paradigm shifts and has resulted in transformation of the whole banking industry”.

CUSTOMER SATISFACTION:

Everyone who purchases a product or a service does so with certain expectations about what the product or service will do when it is used. Satisfaction is a person's feelings of pleasure or disappointment resulting from the products perceived performance in relation to his or her expectations. If the performance matches the expectations the customer is dissatisfied. If the performance exceeds expectation, the customer is delighted.

Against this back drop, majority of the commercial banks have realized the importance of customer satisfaction as a strategic tool to survive and compete in the liberalized economy. The greatest challenge for large retail banks will be the need to provide 3 As i.e. Anytime, Anywhere and Any how banking services for the customers.

A quality product is one that is designed to serve the customer needs and is devoid of fault or tendency and break down. Today banks are striving to increase the quality service by entering into technical collaboration. The following are the expected ones such as Retail banking, ATM, Smart cards, Tele banking, e-transfers, e-cash, credit cards etc., as the intense competition becomes a way of doing business. It is the customer who calls shot in deciding the nature of the product and services offered in the market. The customers are becoming demanding, dominant and selective. Thus, the future of banking business very much depends upon the success or failure of the bank depends upon on it. Wherever the customer might be, the services offered to him must be of the same standard and quality. Success or failure of the bank, when measured in the terms of growth, depends upon the relationship with its customers.

At this juncture, an attempt has been made to identify, whether the services offered at the commercial banks to its customer are satisfying the customers. In a brief, bankers attitude towards the customers may be categorized as follows. 1961-70 was serving the customer, 1971-80 satisfying the customers, 1981-90 pleasing the customers, 1991-2000 delighting the customers and beyond 2001 relating to the customers. Customers are demanding more flexible and conveniently situated distribution channels and they are increasingly knowledgeable, cost conscious and less tolerant to mistakes. Customers want trust in the form of responsible and ethical behavior from banks. Employees are important assets of any company next only to the customer.

STATEMENT OF THE PROBLEM:

Customers are the lifeblood of any business regardless of its nature, type and size. Marketing has its focus primarily on the identification of customer need and fulfillment of the same. Banks are not an exception to this rule. The term customer service has gained paramount significance in the past two decades. The RBI has been reviewing the customer service in banks by appointing various working groups. In general, nationalized banks deal with loads of customers. At this juncture, an attempt has been made to identify what are the services available in the banks and whether they are satisfying the present day customers.

OBJECTIVE AND METHODOLOGY OF THE STUDY:

. The objective is to rank the banks on the basis of satisfaction and to find out the problems faced by the present day customers with the banker and to suggest suggestions for better working of banks. The researcher applied Random Sampling Method (by using Lottery Method) and samples were drawn. The study is restricted to Narasaraopet only. Only 150 customers were considered as sample for the study during the months of June and August 2015. The questionnaire is based on customer's satisfaction.

State Bank of India, D.NO.3-10-4, LB Market , Narsaraopet -522601, Andhra Bank, ,Bank Street, Aundalpet, Narasaraopet , 522601, Indian Overseas Bank (IOB), Vinakonda Road,

Narasaraopet , Indian Bank, Bank Street, Aundalpet, Narasaraopet , 522601, Central Bank of India, Narasaraopet, all situated in Narasaraopet and are the units considered for the study.

REVIEW OF LITERATURE:

A suitable customer services climate is necessary to model a good service experience of employees who will then right to create quality service for the customer (Schneider, 1986). Gummession(1987) has suggested that service quality is a customer determination based on customer actual experience with the service; measured against his or her requirement stated, or unstated operational or subjective conscious or merely sensed (feighbourn, 1991). Goiporia committee (1991) made wide-ranging recommendations to improve the customer service in commercial banks in India. (Jain 1993) studied the various aspects the various of bank marketing and suggested the areas where weaker and underdeveloped sections need support. Nor mushameed (2009) (in his article) by applying factor analysis to judge the job satisfaction found that among the 8 variables which were initially extracted, the score of only 3 variables i.e., communication, salary, fulfillment of needs and fringe benefits were more than 0.5 which contributed towards the services to the customers.

ANALYSIS:

The study reveals that 44.75% of the respondents are in the age group 31-40 years. Out of the total sample population, 65.75% are married. 42.68% have their education up to post graduate level. 36.19% are businessmen followed by 35.24% who are employed. Those whose income range between Rs.10001 and Rs.15000 were found to be 38.14% for the purpose of discussion, all 25 factors are clubbed under six heads which is given as follows.

1. Infrastructure which includes transport facility, complaint box, counters with necessary displays, lighting location of the premises, parking facility for the vehicle, staff availability at the counters, wash rooms, ventilation and drinking water facility.
2. Attitude includes banker's attitude towards the customers, staff behavior towards the customers and expert guidance for making investments.
3. Services including evening banking services, phone banking services, Sunday banking facility, time taken to open an account, working hours and waiting time for getting work completed.
4. Operations include customer core banking services, operation of multicity account, on line banking services, use of smart card, digital cash and e-cash.
5. ATMs service charges, quick response when ATMs are not working, proximately to ATMs, service charges on other ATM cards and sufficiency of ATMs.
6. Redressal are not includes banks approach towards redressal and operation of banking ombudsman scheme.

With INFRASTRUCTURE, 53% of the respondents were found to be satisfied. Expected in the case of washroom facility, the rest of the factors are comfortable for the customers who visit the commercial bank. With regard to location of the bank, 32% of its customers are highly satisfied.

With regards to the ATTITUDE of the bankers towards its customers, only 62% are found to be satisfied and only 8.6% were found to be highly satisfied. It is very clear that the banks have to take necessary steps in the regard. Regarding investment opportunities from the support of the bankers, it is understood that only 36% of the respondents are satisfied. 14.9% of the respondents were dissatisfied regarding advice towards investment which has to be attended immediately. 54.9% of the customers are satisfied with the behavior towards customers by bank employees.

SERVICE rendered by bankers such as evening banking service (45%) phone banking service (25%) and Sunday banking services (25%) are found to be dissatisfying and the appropriate action has to be taken as the private and foreign banks are attracting more customers through these modes. 65.05% of the respondents, when asked about Sunday banking services, said that it is not applicable which means that from the population, around 53% of them are interested in Sunday banking operation.

OPERATIONS with regard to the core banking services (CBS), it is clear that only 32.9% of the respondents are aware of the functioning of CBS, if the banks under study should take adequate steps in this regard. 68% of the respondents are neutral, dissatisfied or highly dissatisfied in multicity account operation with regards to digital cash and e-purse.

ATTITUDE towards ATMs and its operation, proximity, service charges and sufficiency of ATM cabins constitute this heading, yet only 80% of the customers are satisfied with the proximity of the ATM. Frequently, many ATM cabins are out of order, where 56% of the population is satisfied with the rest are dissatisfied when asked about the sufficiency of the ATM cabins, 52% felt that they are not sufficient in number, regarding the service charges on using other bank's ATM in 5 selected commercial banks, it is found that 75% are satisfied.

Redressal regarding ombudsman, 65% are found to be neutral with means that banks have to take necessary steps in creating awareness about the banking ombudsman scheme. 43% are satisfied and 39% are neutral regarding the approach of banks towards redressal.

DISCUSSION:

India is slowly but surely moving from a regime of large number of small banks to small number of large banks. In this changing scenario and based on the analysis, 52% of the respondents felt that infrastructure has to be extended or cabin system of functioning may be introduced for avoiding inconvenience. Today, based on the necessity, the new banks are situated in such a way so as to satisfy the customers. A major percentage of the respondents are not satisfied with regard to technology enabled services. This is possible in the case of foreign or the private sector banks which are well equipped where as the banks under study are lagging behind the technology.

SUGGESTIONS:

- A premise with inconspicuous but ever present young energetic, knowledgeable, smiling and courteous staff with a professional outlook plays a great in attracting customers to these banks. The facilities of the banks should be made more convenient for customer comforts.
- The ATM services should be extended with few more cabins.
- Customers meets should be organized at reasonable intervals so that they can establish a better rapport with the customers and educate them about the latest advancement made in the bank.
- Additional branches can be opened to reduce the work on the existing branches and thereby strengthen the relationship with the customers.
- The staff may be encouraged not to have any other engagement during the working hours, particularly in the peak hours.
- Customer orientation is the attitude of a concern towards its business where in it places prime emphasis on listening to customers with a view to maximize their satisfaction with their concern in order to retain the customers.

CONCLUSION:

Many a times, disputes arise between customers and banks on various such as wrong debit to accounts, excess recovery of interest, charges, wrong dishonor of cheques, inadequacy in service etc. The study has made clear that the commercial under study are attempting their best to attract higher rate of customer satisfaction. However, with sincere efforts and positive attitude, the needs of many customers can be satisfied when banks aim at "Customer Delight"

Finally, when all the banks accept their full responsibilities, performance always improves. It can be concluded that both public sector banks and private sector banks lack one or other aspects so that there is no significant difference between overall customer satisfactions of the banks. Hence, all banks should aim at satisfying the customers by providing maximum features in their banking services.

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Innovations In Indian Insurance Industry

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Abstract

New technologies and innovations have permeated the insurance industry and upped-the-ante in quality and efficiency for products, claims and business practices. Though insurance has been historically viewed as a slow-moving industry, recent technology integrations and evolving customer needs have created a significant shift; Insurance trends will revolve around increased data intelligence, improved accuracy in underwriting, and an emphasis on customer-center services and processes. Growing connectivity between the real and digital worlds will determine major and innovative trends in this era Insurance companies face problems which can be totally ducked with the use of technology. The insurers who are conventionally have been quick to adapt latest developments in the field of IT. The scope of information technology will vary between insures. The IT has constantly played a very imperative role in the operations of insurance industry. The fact is that of all the business establishments in the facility sector, of the life insurance companies were the first to adopt Computerization as an incontrovertible part of their operation all over the world. The swift innovation in the area of information and communication technology has stood with serious challenges for the insurance industry in India.

The practice with the application of information technology in comprehensive variety of guarantor's operations has now become strategic in the sense that it has direct impact on the efficiency of resources, and a steepening impact on reducing the case of various activities.. The most evident departments in insurance industry are accounting, Legal issue and servicing, claim processing, sales management etc. The major purpose of the research is to study the role of new IT applications like Big Data, Cloud Computing, and Mobile Applications (Apps) in the present Scenario.

Keywords: IT (Information Technology), Big Data, Cloud Computing, Mobile Apps

The Indian life insurance industry, which was liberalized in 1999, allowing private sector players in the business, has grown at a phenomenal pace since its liberalization. The sector experienced a CAGR of 25% in the last decade with total premium reaching US\$ 67 billion in 2010 and the Indian market ranking as the 10th largest market in the world.

The life insurance penetration (ratio of premium to GDP) grew from 2.15% in 2001 to 4.40% in 2010 while life insurance density (ratio of premium to total population) grew from USD 9.10 to USD 55.70 during the same period.

To a large extent, this wave of growth was caused by a spurt in innovation and creativity, promoted by the sector post-liberalization. Consequent to the opening up of the sector, it has received considerable exposure to the modern concepts and best practices from developed markets across the globe as almost all the major life insurance players are operating in India through their respective joint ventures.

Technology in now will require insurers to be agile, think connectively, and be prepared to assess and utilize data in new unprecedented ways. More importantly, failure to adapt could bring new risks to your business, including anything from data loss to consumer dissatisfaction with delivery of products and services.

Standards in business, customer service and insurance continuously evolve, and it is the responsibility of our industry to meet these changing needs. If insurance businesses recognize tech trends, evaluate the opportunities they present, and actively incorporate relevant processes and programs into their business model, they will find themselves outpacing and outperforming the competition.

There was a phenomenal growth in the volume of annual new business and the product portfolio was enriched with the addition of new and innovative products. While there was aggressive sales and distribution of products with the addition of new channels of distribution, customer service acquired new dimensions with the setting up of new information technology tools public & private life insurance companies. Thus, there was an enrichment of the total customer value proposition offered by the tools like Big Data, Cloud Computing, and Mobile Applications.

Objectives of the Study

- To study role of new information technology in Indian Insurance Industry.
- To study the impact of Big Data, Cloud Computing, Mobile Applications in insurance Industry

Role of Big Data in Insurance Industry

The insurance industry has been struggling to get a good handle on its data for decades, both on the transactional and the risk management sides. And the recent emphasis on utilizing new sources of data that extend beyond traditional sources, often referred to as *Big Data*, has created renewed interest in data management across the industry. Data variety and diversity in particular are pushing the traditional, relational database management technologies to their limits, and are raising more and more interest in new approaches to data management.

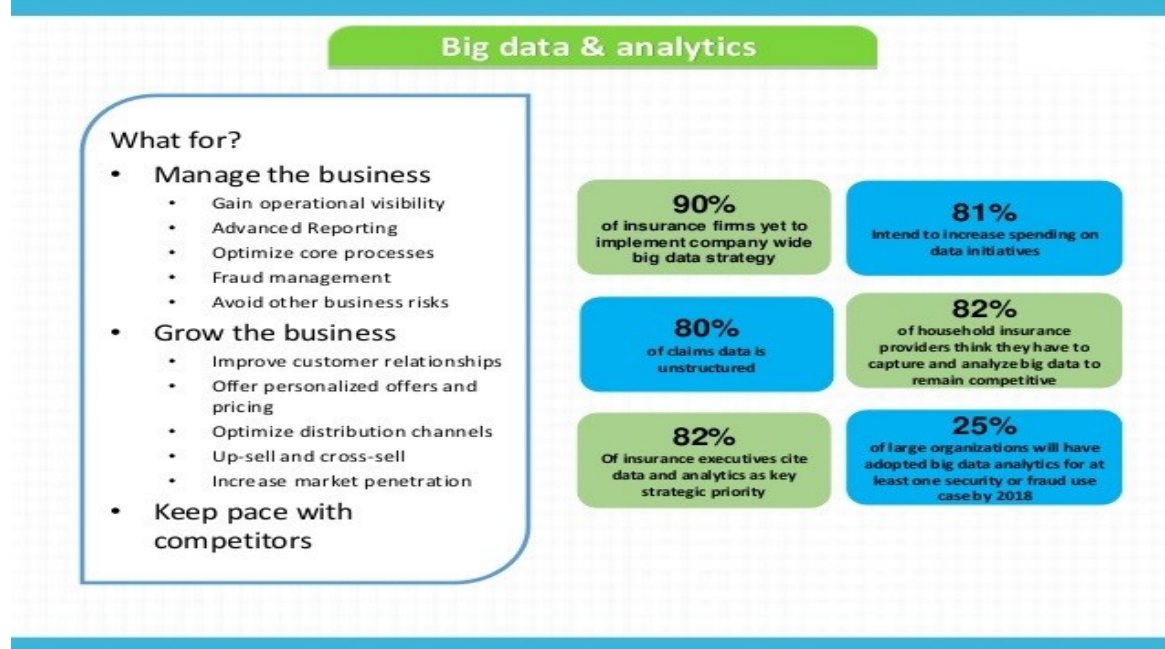
So, are relational databases on their way to extinction Not anytime soon. They are still the most efficient way to handle highly structured tabular data, especially in the context of Online Transaction Processing. Instead, companies should look to benefit from new technologies associated with Big Data where these can provide value beyond the core transaction processing associated with policy administration and claims management.

The recommended adoption strategy when it comes to Big Data is therefore a **hybrid** approach, utilizing both relational and non-relational enterprise technologies, considering the opportunities offered by the new technology paradigm, while continuing to utilize the old paradigm where appropriate. Especially in this era of limited, shrinking budgets, it is important to use technology appropriately, and find the use cases where new technology would provide specific strategic benefits.

- **Fraud Detection:** One of the reasons why insurers read through pages of data is to detect fraudulent claims. They do this not only when claims are registered but also when insurance policies are taken out at the onset and also when reviving lapsed policies. Insurers are frequently overburdened with several claims and proposals, and they do not have the time to gather information and sort through it. Fraud detection therefore relies more on regulatory practices rather than facts. Predictive analysis using big data can help insurers spot frauds quicker. Data analytics tools such as text mining, database searches, modeling, and exception reporting can be effectively used in combination with regulatory practices to identify fraudulent claims faster.
- **Settlement:** Insurers are hard pressed for time and small claims are often settled without probing too deeply into the facts of the case. This is done with a view to saving settlement costs. However, if these claims are fraudulent, or if the insurer settles a claim for higher than the actual loss to the insured, it will reflect on the ROI. To avoid such over payments and frauds, big data analytics can be effectively used to analyze claims routinely, history of claims, and trending to identify claims that are over the top or fraudulent. Using data analytics will also help insurers quickly settle claims and garner better customer satisfaction.
- **Fund Balancing:** Insurers maintain huge funds against potential claims. It is virtually impossible to determine the size of claims or predict when a claim will arise. Optimizing the reserve fund is, therefore, a herculean task that requires constant assessment of risk. Insurers and actuaries spend a good part of their time in these tasks. Trending and predictive analytic tools can relieve this burden considerably and help insurers make informed judgments about fund balancing and optimization.
- **Underwriting:** A large amount of data is required for underwriting insurance policies, particularly corporate insurance. When assessing corporate data manually, the possibility of human error is high. This data can be directly obtained from the proposer in digital form, thus eliminating human error in underwriting. For example, when considering insurance for marine or vehicle fleets, data can be directly obtained from the telematics devices in vehicles. Calculations can be automated so that the underwriter is presented with data in the format that he requires. This can significantly speed up the processes of underwriting, besides making it error free.
- **Premium Rate Monitoring:** Insurers strive to lower rates of premium in order to maintain a competitive advantage. Premium rates are calculated based on the probability of claims occurring. These are complex calculations that insurers need to perform periodically to monitor their premium rates and

adjust them if required. Big data can help the insurer perform these calculations quickly and conduct analysis to predict future premium rates. Insurers can, therefore, maintain their market edge at low costs.

- **Customer Segmentation:** Premium calculations are based on the claim experience of groups of customers. Customers are usually grouped by the type of insurance they seek, their age, sex, and possibly the term of insurance, but little else. Within a single group, customers may present varying levels of risk. When the same premium is applied to the whole group, low risk customers often have to compensate for high-risk customers. With big data analytics, insurers will be better able to group their customers and calculate risk-based premiums.
- **Value Added Service:** Insurers can offer other services to their customers in addition to insurance. For example, "RiskMark" is a service offered by FM Global in USA. This service enables those seeking property insurance to assess the risk to their property before deciding on the amount of insurance.



Role of Cloud Computing in Insurance Industry

The insurance industry is continuously looking for the simplest, most efficient method of providing consumers with the best service, while at the same time trying to reduce overall operating expenses. While insurance providers explore the right options for their business, one thing is certain, cloud-based environments are low-risk solutions that enable applications to increase business value. From Cisco research, we know that running desktop applications in the cloud can be attractive because it reduces complexity and increases security.

Aside from the insurance industry, other financial services institutions struggle to find a business structure that provides the desired flexibility and market savings necessary to provide excellent customer service. However, with the help of cloud computing and unified communications, these challenges are being overcome. Due to recent success and proven low-risk functionality, insurers are gradually adopting cloud solutions to help guide business operations and initiatives. In fact, Gartner is predicting that the cloud system infrastructure market to grow by 47.8% through 2015.

Cloud computing is changing the way organizations store and access large applications and data. Cloud capabilities provide a way to increase capacity or add capabilities quickly without having to invest in costly infrastructures or training new personnel. Cloud computing also helps extend an organization's existing IT capabilities by allowing for subscription or pay-per-use services.

In order to achieve the business flexibility that insurers' desire, investing in cloud computing may be the easiest solution. Through a traditional non-cloud-based transition, insurers are likely to spend millions



of dollars upfront on on-premise hardware for the new infrastructure. Then, they must work around application development, which can turn into a lengthy customization and implementation process.

Cloud computing in the insurance industry is increasingly showing signs of being a necessity. Through internal cloud computing, computing applications, platforms and infrastructure are delivered as a bundle of services to users within a private business. One of the greatest benefits that internal cloud-based computing provides insurers is the ability to create a virtual server easily and deploy business-user-configurable cloud software solutions quickly. Virtualization allows that software or hardware to run more than one application at a time, so as a result, insurers can

launch new products and services faster than ever before.

Another method of cloud computing that insurers may want to utilize is an external cloud computing integration model or Software as a Service (SaaS). Instead of buying servers and procuring space in the data center, cloud computing increases business value because it can be turned on the next day. It can also take away a lot of the upfront costs that can be risky to insurers by allowing for pay-per-use that enables the agility and flexibility that insurers want. One of the biggest selling points for external cloud computing is the potential to reduce IT support costs by outsourcing hardware and software maintenance and support to the SaaS provider.

Role of Mobile Application in Insurance Industry

In the past few decades, the advancements in mobile technology has changed the way insurance providers operate. Owing to the convenience and portability offered by mobile apps of insurance service providers, they have gained popularity. From mobile insurance apps that allow consumers claim damages instantly to enterprise productivity apps that keep insurance agents connected to their offices round the clock. Mobile insurance apps are playing an important role in raising the bar of customer service.

Simplifying Claims Processing

Mobile insurance apps are making the process of making claims hassle free. It not only makes the life of an insured individual easier, but also lessens the workload of insurance employees by reducing certain tasks and freeing their time, which can be better utilized in acquiring and engaging consumers. By using their smartphones, consumers can click photos in case of an accident and send it via their mobile insurance app for claiming insurance. Inventory management apps are also being used extensively as they allow consumers to take pictures of their assets and a create catalog containing product details along with price. These records can be used to claim insurance in case the assets get damaged or stolen.



- **Enhancing the Knowledge of Insurance Agents**

A Smartphone or tablet can be conveniently used to impart training to insurance agents. The training material can be uploaded online from where it can be easily accessed by the insurance agent depending on the area of interest. Insurance agents can use their tablet/smartphone to go through the training material or to watch training videos during their commute or in spare time.

insurance providers can save on the compensation they have to offer for accident claims. This is beneficial to both the insurance provider and the insured individual.

- **Enhance Sales Effort**

Insurance agents can stay connected to their offices round the clock by using mobile insurance apps. Furthermore, these mobile apps allow them to complete their work even when they are travelling or

are waiting for clients. They can also gain quick access

- **Instantly Generate Quotes for Customers**

If insurance agents can generate quotes instantly for their customers, they will certainly have an edge over the competition. By using a mobile insurance app on their smartphone/tablet, insurance agents can generate a quick quote for their customers during their interaction.

- **Finalize a Deal in First Meeting**

Considering the stiff competition prevailing in the insurance industry, insurance agents cannot afford to miss a chance to finalize a deal at the first meeting itself. A mobile insurance app can help insurance agents to get quotes instantly and in case the buyer is willing to buy the policy they can sign the documents digitally via insurance agent's mobile device and make the final payment via a mobile card reader.

CONCLUSION:

Where almost all the industries in the world trying hard for survival due to the major economic meltdown, Indian life insurance industry is one of the sectors that is still observing good growth. It is the changing trends of Indian insurance industry only that has made it to cope with the changing economic environment. Indian insurance industry has modified itself with the passage of time by introducing customized products based on customers' need, through innovative distribution channels, Indian life insurance industry searched its path to grow. Changing government policy and guideline of the regulatory authority, IRDA have also played a very vital role in the growth of the sector. Move from non-linked to unit linked insurance policies is one of the major positive changes in Indian life insurance sector.

Similarly, opening on the sector for private insurer broke the monopoly of LIC and bring in a tough competition among the players. This completion resulted into innovations in products, pricing, distribution channels, and marketing in the industry. Though the sector is growing fast, the industry has not yet insured even 50% of insurable population of India. Thus the sector has a great potential to grow. To achieve this objective, this sector requires more improvement in the insurance density and insurance penetration. Development of products including special group policies to cater to different categories should be a priority, especially in rural areas. The life insurers should conduct more extensive market research before introducing insurance products targeted at specific segments of the population so that insurance can become more meaningful and affordable. By adopting appropriate strategy along with proper government support and able guidance of IRDA, India will certainly become the new insurance giant in future.

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A Study On Corporate Valuation On Selected Indian Firms

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Abstract

Corporate valuation/business valuation is the process of determining the economic worth of the company based on its business model and external environment and suppurate with reasons and empirical evidence. Valuation is the process of determining the economic value of a business or a company which reflects the performance of the company both its past performance as well as expectation of its future performance. Valuation is used by financial market participants to determine the price they are willing to buy or sell to the effect of sale of business. To study the intrinsic value of the firm's equity and compare the calculation of intrinsic value with their corresponding market values. The data is analyzed by using financial models like discounted cash flow method, Dividend growth model applied for rubber tyre companies and done comparative studies. The intrinsic value of the firm's equity compared to the market value. This paper is expected to reveal that how the Indian companies tend to reward better value to the shareholders that are measures the corporate valuation and encourages regulators to initiate further timely reforms to build a strong relationship between those who run the company and the stakeholders.

keywords: corporate valuation, DCF, FCF, FCFE, Intrinsic value, Market value

INTRODUCTION

Corporate valuation or business valuation is procedure of deciding the “financial worth” of organisation taking into account plan of action and outer environment and suppurate with reasons and experiential confirmation.

Valuation has been esteeming organization might take administration the pieces of its capital structure, prospect of future earning and market estimation of advantage.

“Corporate valuation is a process and set of procedures used to estimate the economic values of owner’s interest in a business. Valuation is used by financial market participants to determine the price they are willing to buy or sell to effect a sale of a business”

Corporate valuation depend up on

Purposes of valuation

Valuation basically made because to now company performance and were it stand in the externally environment valuation will help to know company coming out with true value that is intrinsic value were the actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of tangible and intangible factors. The value may or may not be the same compare to market value.

Stage of business valuation

- Finding out what your business worth.
- Understanding areas in which your business might need to improve before officially putting it on the market.
- Measure the marketplace at a relatively under or over value rate.
- Reduce risk make sure any internal valuation have to measure they accurate in valuation.

Past financials

In valuation we measure the company's past financial statement can help to project for the future purpose of the company's growth. In this valuation, past financial data will be used for company management, owner, stakeholder, shareholder, investor, creditors, government, etc. These people can easily now company performance; it may help to invest in the particular company.

Expected Financial result

Financial statement records outline of financial activities of a business, an individual or any other entity. In valuation, the company or individual can easily now their performance; it always shows whether the company is in profit or loss. Expected financial result will always be what they expect a huge profit for the company.

Features of the valuation Process

- **The bias in valuation**
Avoid recommitments, Delink valuation from reward/punishment and Diminish institutional pressures
- **Uncertainty in valuation**
Estimation uncertainty, Firm-specific uncertainty and Macroeconomic uncertainty
- **Valuation complexity**

The methods which have been used discounted free cash flow model are frequently used in corporate valuation.

Discounted cash flow (DCF):

In Discounted Free Cash Flow They have Two Approaches.

- Measuring DCF to Firm.
- Measuring DCF to Equity.

Discounted Free Cash Flow to Firm

Discounted Free Cash Flow for Equity

RESEARCH OBJECTIVE:

The following are the Objectives of the Study

3. To determine the value of selected Indian firms using FCFF and FCFE model.
4. To determine the Intrinsic Value of the Selected firms and compare the same with Market Prices.

RESEARCH METHODOLOGY:

- Type of research : Descriptive study
- Time period of study: 5 years financial statement
- Type of data to be used and its source: Secondary data.
- Statistical tests/financial models to be used: Discounted cash flow method and Dividend growth model.

REVIEW OF LITERATURE:

- **Olsson and Oswald (2000):** According to this researcher was the research as used both the model dividend growth model and discounted free cash flow model .more accurate firm most likely due to the use of different assumptions. This method of DGM and DFCF were they give different valuation consistency and logical forms.
- **Gentry et al (2003):** According to this researcher were the research provides an integrated valuation system (IVS) that includes in academics or any other who want to profession any change in firm's financial strategy and the effect of changing in whole value of stock. Even they can include or introduce theoretical with condition when the dividend discounted model (DDM) will measure are equal to the discounted cash flow model (DCF) estimation.
- **Juethner nauroth (2005):** According to this researcher was the research the dividend discounted model dividend are irrelevance. They will always deviation dividend will equivalence in this model based on expected earning and expected in growth rate.
- **Walid Saleh et al (2008):** According to this researcher was the research as this valuation models under different situation measuring the cost of equity and growth rate into analysis and comparing the actual marketing price with measuring the intrinsic value. Dividend discounted method and the cash flow method are different intrinsic value of the firm.
- **Adams et al (2009):** According to this researcher was the research the dividend discounted model and discounted cash flow method they do not do not reflect the standard of measuring of a majority of a young entrepreneurial firms this theory of modern corporate valuation for in minds of small business like public sector or company which not paying the dividend. Where is DDM is not applicable for them
- **ANALYSIS**

Analysis as base on AAL with reference to other selected company.

Table 1–Showing the Discounted Free Cash Flows to firm for the selected Indian Companies from the year 2011 to 2015

AUTOMOTIVE AXLES LIMITED				
Year	CFO (A)	INT(1-t) (A)	CAPEX (B)	A-B
2011	720.76	70.84*(1-0.32)	390.39	373.36
2012	939.05	92.57*(1-0.32)	696.68	305.61
2013	538.6	82.64*(1-0.32)	249	345.42
2014	-58.06	70.84*(1-0.32)	306.33	-316.54
2015	917.08	40.83(1-0.32)	192.59	724.49

RANE MADRAS LIMITED				Crores
Year	CFO (A)	INT(1-t) (A)	CAPEX (B)	A-B
2011	341.8	57.3*(1-0.24)	589.3	-204.03
2012	201.5	117.8*(1-0.20)	419.3	-124.24
2013	703.7	109.7*(1-0.20)	302.4	488.921
2014	451.5	149.2*(1-0.21)	427.8	141.438
2015	670.9	161.8*(1-0.21)	852.5	-53.508

HINDUSTAN HARDY SPICER LIMITED				
Year	CFO(A)	INT(1-t)(A)	CAPEX(B)	A-B
2011	17.158	6.309*(1-0.32)	10.713	10.750083
2012	39.447	9.833*(1-0.33)	9.291	36.759772
2013	19.953	9.945*(1-0.25)	22.919	4.534

2014	11.901	10.68*(1-0.32)	52.53	-33.33775
2015	23.608	8.908*(1-0)	11.826	20.69

Crores

Particular	2011	2012	2013	2014	2015
Automotive Axles Limited	373.360	305.61	345.42	-316.54	752.14
Rane Madras Limited	-204.03	-124.24	488.921	141.438	-53.508
Hindustan Hardy Spices Limited	10.7501	36.7598	4.53442	-33.338	20.69

Interpretation

The above table and graph show the free cash flow to the firm for the selected three companies from the year 2011 to 2015. It's been observed that the FCFF was Rs. 373.63 crores for Automotive Axles Ltd during 2011 and for the year 2015 it was found at Rs. 752.14 crores. The FCFF to Rane Madras was at Rs. -204.03 crores in 2011 and in 2015 it was -53.51 crores. However, it was found that the higher FCFF was Rs. 488.92 crores during 2013. For Hindustan Hardy Spices Ltd the highest FCFF was found during 2012 at 36.76 crores and the lower FCFF was found at -33.34 during 2014.

Table 2-Showing the discounted Free Cash Flows to Equity for the selected Indian Companies from the year 2011 to 2015

AUTOMOTIVE AXLES LIMITED					
Year	CFO(A)	CAPEX(B)	A-B	NET BORROWINGS	FCFE
2011	720.76	390.39	330.4	-91.185	239.18
2012	939.05	696.68	242.4	-62.99	179.38
2013	538.6	249	289.6	-45.04	244.56
2014	58.06	306.33	-248.3	408.14	159.87
2015	917.08	192.59	192.6	-613.5	110.99

RANE MADRAS LIMITED					
Year	CFO(A)	CAPEX(B)	A-B	NETBORROWINGS	FCFE
2011	341.8	589.3	-247.5	11.16	-236.34
2012	201.5	419.3	-217.8	11.93	-205.87
2013	703.7	302.4	401.3	9.87	411.17
2014	451.5	427.8	23.7	2.5	26.2
2015	670.9	852.5	-181.6	25.73	-155.87

HINDUSTAN HARDY SPICER LIMITED					
Year	CFO(A)	CAPEX(B)	A-B	NETBORROWINGS	FCFE
2011	17.158	10.713	6.445	11.68	18.125
2012	39.447	9.291	30.156	51.96	82.116
2013	19.953	22.919	-2.966	82.74	79.774
2014	11.901	52.53	-40.629	-51.3	-91.929
2015	23.608	11.826	11.782	-81.78	-69.998

Particular	2011	2012	2013	2014	2015
Automotive Axles Limited	239.18	176.38	244.56	159.87	110.99
Rane Madras Limited	-236.34	-205.87	411.17	26.2	-155.87
Hindustan Hardy Spices Limited	18.125	82.116	79.774	-91.929	-69.998

Interpretation

The above table and graph show the free cash flow to the Equity for the selected three companies from the year 2011 to 2015. It's been observed that the FCFF was Rs. 239.18 crores for Automotive Axles Ltd during 2011 and for the year 2015 it was found at Rs. 110.99 crores. The FCFF to Rane Madras was at Rs. -236.34 crores in 2011 and in 2015 it was -155.87 crores. However, it was found that the higher FCFF was Rs. 411.17 crores during 2013. For Hindustan Hardy Spices Ltd the highest FCFF was found during 2012 at 82.116 crores and the lower FCFF was found 2014 at -91.929 and during 2015 also -69.998 crores.

Table 3-Showing the Discounted Free Cash Flows for the selected Indian Companies from the year 2011 to 2015 of GROWTH RATE.

ATOMOTIVE AXLES LIMITED			
Year	RETENCE RATIO	RETURN ON EQUITY	GROWTH RATE
2011	73.74	23.6	17.40264
2012	66.43	4.52	3.002636
2013	76.19	6.17	4.700923
2104	79.21	3.48	2.756508
2015	85.66	3.48	2.980968

RANE MADRAS LIMITED			
Year	RETENCE RATIO	RETURN ON EQUITY	GROWTH RATE
201	71.06	24.92	17.708152
2012	64.78	23.81	15.424118
2013	69.64	18	12.5352
2104	65.55	11.96	7.83978
2015	61.97	8.54	5.292238

HINDUSTAN HARDY SPICER LIMITED			
Year	RETENCE RATIO	RETURN ON EQUITY	GROWTH RATE
2011	17.58	6.52	1.146216
2012	49.14	16.43	8.073702
2013	48.83	9.42	4.599786
2104	46.78	8.76	4.097928
2015	100	0	0

PARTICULAR	2011	2012	2013	2014	2015
Automotive Axles limited	17.40	11.01	3.44	4.88	2.98
Rane Madres limited	17.75	15.6	12.53	7.83	5.80
Hindustan Hardy Spicer limited	1.14	8.07	4.59	4.09	0.00

Interpretation

The above table and graph show the growth rate of the selected three companies from the year 2011 to 2015. It's been observed that the Automotive Axles Ltd growth rate during 2011 is 17.40 more and for the year 2015, 2.90. The Rane Madras growth rate more compare to other company from 2011. It has 17.75 it has been increase but in 2015 it has 5.80 been both Company has never shown any negative growth rate. Hindustan Hardy Spicer limited growth rate were less in 2011 it has 1.14 and it has been decline in growth rate in 2015 it has shown 0.00 growth rate which means is no growth for particular year.

Table 4-Showing the Free Cash Flows for Firm for the selected Indian Companies from the year 2011 to 2015. When they is No Growth

ATOMOTIVE AXLES LIMITED			crores
Year	FCFF (A)	r (WACC)(B)	value (A-B)
2011	373.36	12.82	2,912.32
2012	305.61	(12.61)	(2,423.55)
2013	345.42	7.86	4,394.66
2104	-316.54	16.54	(1,913.78)
2015	724.49	24.65	2,939.11

RANE MADRAS LIMITED			crores
Year	FCFE (A)	r (WACC)(B)	value (A-B)
2011	-204.03	6.89	-2961.248
2012	-124.24	6.71	-1851.565
2013	488.921	9.47	5162.8405
2104	141.438	10.32	1370.5233
2015	-53.508	9.27	-577.2168

HINDUSTAN HARDY SPICER LIMITED			crores
Year	FCFE (A)	r (WACC)(B)	value (A-B)
2011	10 750083	12 39	86 76
2012	36 759772	10 40	353 46
2013	4 534	11 38	39 84
2104	-33 33775	9 34	-356 94
2015	20 69	12 55	164 86

YEAR	2011	2012	2013	2014	2015
AUTOMITVE AXLES LIMITED	2912.32	2423.55	4394.66	-1913.7	2939.11
RANE MADRAS LIMITED	-2961.25	-1851.56	5162.84	1370.52	-577.21
HINDISTAN HARDLY SPICR LIMITED	86.76	353.46	39.84	-356.94	164.86

Interpretation

The above table and graph show the free cash flow to the Firm for the selected three companies from the year 2011 to 2015. It's been observed that the Automotive Axles Limited from 2011 to 2015 when there is no growth in 2011 2912.32 corers but in 2014 AAL company as show its negative cash flow for equity -1913.7 crores in that particular year. The AAL Company was FCFF in 2015 were it has been increases 2939.11 crores only. Rane Madras Limited company free cash flow for firm in 2011 and 2015 were the company in 2011 has negative cash flow for - and in 2012 also company have negative cash flow of -1851.56 and in 2015 also -577. Hindustan Hardy Spicer Limited have cash flow for firm no growth were company from 2011 to

2015 the company have negative cash flow only in the year of 2014 of -357.08 and in 2015 during the year 164.88 crores compare to three firm were Rane madras limited as more cash out flow in the 3 years this will effect to the future also.

Table 5-Showing the Discounted Free Cash Flows for Equity for the selected Indian Companies from the year 2011 to 2015 when there is NO Growth.

ATOMOTIVE AXLES LIMITED				crores
Year	FCFE (A)	r (Ke) (B)	Value	
2011	239.18	11.40	2,097.82	
2012	179.38	(18.24)	(983.23)	
2013	244.56	9.23	2,649.26	
2104	159.87	21.50	743.50	
2015	110.99	34.19	324.60	

RANE MADRAS LIMITED				crores
Year	FCFE (A)	r (Ke) (B)	value (A-B)	
2011	-236.34	9.22	-2564.46	
2012	-205.87	(14.69)	1401.85	
2013	411.17	8.70	4723.97	
2104	26.2	22.47	116.59	
2015	-155.87	36.69	-424.79	

HINDUSTAN HARDY SPICER LIMITED				crores
Year	FCFE (A)	r (Ke) (B)	value (A-B)	
2011	18.125	8.43	215.07	
2012	82.116	(11.23)	-731.40	
2013	79.774	8.53	934.81	
2104	-91.929	15.20	-604.85	
2015	-69.998	26.63	-262.83	

YEAR	2011	2012	2013	2014	2015
AUTOMITVE AXLES LIMITED	2098.05	-983.44	2649.62	743.58	324.63
RANE MADRAS LIMITED	-2563.3	1401.43	4726.09	116.6	-424.83
HINDISTAN HARDLY SPICR LIMITED	215.01	-731.22	935.22	-604.85	-262.83

Interpretation

The above table and graph show the free cash flow to the Equity for the selected three companies from the year 2011 to 2015. It's been observed that the FCFE was Rs. 2098.05crores for Automotive Axles Ltd during 2011 and for the year 2015 it was found at Rs. 324.63crores. The FCFE to Rane Madras was at Rs-2563.3crores in 2011 and in 2015 it was -424.83crores were it has shown negative FCFE. However, it was found that 2011 FCFE was Rs. 215.01crores during 2012 were company as FCFE -731.22 and in 2014 and 2015 were company as FCFE is negative cash flow for equity -604.85 and -262.83.

Table 6-Showing the Free Cash Flows to FIRM for the selected Indian Companies from the year 2011 to 2015 when they CONSTANT GROWTH

ATOMOTIVE AXLES LIMITED					crores
Year	FCFF (A)	r (WACC) (B)	Growth (c)	Value (A/(B-C))	
2011	373.36	12.82	17.40264	-8,140.14	
2012	305.61	-12.61	3.002636	-1,957.26	
2013	345.42	7.86	4.700923	10,934.12	
2104	-316.54	16.54	2.756508	-2,296.46	
2015	724.49	24.65	2.980968	3,344.20	

RANE MADRAS LIMITED					crores
Year	FCFF (A)	r (WACC) (B)	Growth (c)	Value (A/(B-C))	
2011	-204.03	6.89	17.70815	1885.36	
2012	-124.24	6.71	15.42412	1425.50	
2013	488.921	9.47	12.5352	-15940.63	
2104	141.438	10.32	7.83978	5698.65	
2015	-53.508	9.27	5.292238	-1345.76	

HINDUSTAN HARDY SPICER LIMITED					crores
Year	FCFF (A)	r (WACC) (B)	Growth (c)	Value (A/(B-C))	
2011	10.75008	12.39	1.146216	95.58	
2012	36.75977	10.4	8.073702	1577.78	
2013	4.534	11.38	4.599786	66.84	
2104	-33.3378	9.34	4.097928	-636.44	
2015	20.69	12.55	0	164.88	

Particular	2011	2012	2013	2014	2015
Automotive Axles Limited	-8,140.14	-1,957.26	10,934.12	-2,296.46	3,344.20
Rane Madras limited	1878.08	1425.5031	-15940.64	5698.64	-1345.76
Hindustan Hardy Spices Limited	95.58	1577.78	66.85	-636.44	164.88

Interpretation

The above table and graph show the free cash flow to the Firm when there is constant growth for the selected three companies from the year 2011 to 2015. The AAL company were from 2011 as went into negative growth rate -8140.14 and even in 2012 also but out flow of a cash as been reduced then in 2013 AAL company as increased positive cash flow of 10934.12 crores than in 2014 again it's been negative cash flow and 2015 it has been positive cash flow when the constant growth. Rane Madras company were the cash flow from 2011 to 2015 RMD company in 2011 they have positive cash flow 1,878.08 then in 2013 RMB company as went to negative cash as been out flow on particular 15,940.64 even in 2015 also -1345.76 Hindustan hardy Spicer limited from 2011 to 2015 the company constant growth but in 2013 were they have negative cash flow -636.44 crores compare of three firm were in 2015 AAL company as higher FCFF in constant growth model of 3344.20 crores

Table 7- Showing the Free Cash Flows for Equity for the selected Indian Companies from the year 2011 to 2015. When they is CONSTANT GROWTH

ATOMOTIVE AXLES LIMITED				crores
Year	FCFE (A)	r (Ke) (B)	growth	Value
2011	239.18	11.40	17.40264	(3,985.47)
2012	179.38	(18.24)	3.002636	(844.28)
2013	244.56	9.23	4.700923	5,398.26
2104	159.87	21.50	2.756508	852.83
2015	110.99	34.19	2.980968	355.60

RANE MADRAS LIMITED				crores
Year	FCFE (A)	r (Ke) (B)	Growth (c)	Value (A/(B-C))
2011	-236.34	9.22	17.70815	2783.04
2012	-205.87	(14.69)	15.42412	683.73
2013	411.17	8.70	12.5352	-10731.90
2104	26.2	22.47	7.83978	179.07
2015	-155.87	36.69	5.292238	-496.38

HINDUSTAN HARDY SPICER LIMITED				crores
Year	FCFE (A)	r (Ke) (B)	Growth (c)	Value (A/(B-C))
2011	18.125	8.43	1.146216	248.93
2012	82.116	(11.23)	8.073702	-425.45
2013	79.774	8.53	4.599786	2027.84
2104	-91.929	15.20	4.097928	-828.13
2015	-69.998	26.63	0	-262.83

Particular	2011	2012	2013	2014	2015
Automotive Axles Limited	-3985.44	-844.28	5398.26	852.83	355.61
Rane Madras limited	2769.39	683.73	-10731.90	179.07	-496.38
Hindustan Hardly Spices Limited	248.93	-425.45	2027.84	-828.13	-262.83

Interpretation

The above table and graph show the free cash flow to the equity for the selected three companies from the year 2011 to 2015. The AAL company were from 2011 as went into negative growth rate

– 3985.44 and even 2012 in the 2015 were company has positive cash flow of 355.61 crores. Rane Madras company were the cash flow from 2011 to 2015 RMD company in 2011 they 2,769.39, 2013 RMB company as went to negative cash out flow on particular-10,731.90 and then 2015 RMD as when into negative cash flow -449.62 however the Hindustan hardy Spicer limited FCFE form 2011 to 2015 were 2011 the company as 248.93 and in 2014 and 2015 were the company has negative cash flow of -828.13 and -262.83 compare to the three firm were 2015 AAL company has positive cash flow of 355.61 crores.

Table4.8- Showing the Free Cash Flows for firm Automotive Axles Limited for 2011 to 2015 will remain

Year	FCFF	WACC	Ke	Growth Rate	Rf
2011	373.36	12.82	11.40	17.40	5.81
2012	305.61	(12.61)	(18.24)	11.02	8.15
2013	345.42	7.86	9.23	3.44	8.06
2014	(316.54)	16.54	21.50	4.89	8.34
2015	752.14	24.65	34.19	2.98	9.06
Average	292.00	9.85	11.62	7.95	7.88

Table4.8-Showing the Estimated FCFF, Present Values of FCFF and the Value of Automotive Axles Limited as on 2015.

Free Cash Flow Method			
Year	Estimated FCFF	PVIF	PV
2016	315.21	0.9103	286.95
2017	340.27	0.8287	281.98
2018	367.32	0.7544	277.11
2019	396.52	0.6868	272.31
2020	428.05	0.6252	267.60
TV	1,857.66	0.6252	1,161.36
Value of the Firm			2,547.31

Interpretation

The above table and show the free cash flow to firm were Automotive Axles Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of firm in 2015 is 2547.31 crores.

Table4.9- Showing the Free Cash Flows for Equity Automotive Axles Limited for 2011 to 2015 will remain

Year	FCFE	Ke	Growth Rate
2011	239.18	11.40	17.40
2012	176.38	(18.24)	11.02
2013	244.56	9.23	3.44
2014	159.87	21.50	4.89
2015	110.99	34.19	2.98
Average	186.20	11.62	7.95

Table 9-Showing the Estimated FCFE, Present Values of FCFE and the Value of Automotive Axles Limited as on 2015.

Free Cash Flow Method			
Year	Estimated FCFE	PVIF	PV
2016	201.00	0.8959	180.07
2017	216.98	0.8026	174.15
2018	234.23	0.7191	168.43
2019	252.85	0.6442	162.89

2020	272.95	0.5772	157.53
TV	1,184.56	0.5772	683.67
Value of the Equity			1,526.75

Interpretation

The above table and show the free cash flow for equity were Automotive Axles Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of firm in 2015 is 1526.75 crores.

Table 10- Showing the Free Cash Flows for Firm Rane Madres Limited for 2011 to 2015 will remain.

Year	FCFF	WACC	Ke	Growth Rate	Rf	DD
2011	(204.03)	6.89	9.22	17.75	5.81	7
2012	(124.24)	6.47	(14.69)	15.60	8.15	9.5
2013	488.92	9.47	8.70	12.54	8.06	7
2014	141.44	10.32	22.47	7.84	8.34	5.5
2015	(53.51)	9.27	36.69	5.80	9.06	4.5
Average	49.72	8.48	12.48	11.91	7.88	6.70

Table 10 - Showing the Estimated FCFF, Present Values of FCFF and the Value of Rane Madres Limited as on 2015.

Free Cash Flow Method			
Year	Estimated FCFF	PVIF	PV
2016	55.64	0.9218	51.29
2017	62.26	0.8497	52.90
2018	69.68	0.7832	54.58
2019	77.98	0.7220	56.30
2020	87.27	0.6655	58.08
TV	344.45	0.6655	229.23
Value of the Firm			502.37

Interpretation

The above table and show the free cash flow for firm were RANE MADRAS Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of firm in 2015 is 502.37crores.

Table 11- Showing the Free Cash Flows for Equity Rane Madres Limited for 2011 to 2015 will remain.

Year	FCFE	Ke	Growth Rate
2011	-236.34	9.22	17.75
2012	-205.87	(14.69)	15.60
2013	411.17	8.70	12.54
2014	26.2	22.47	7.84
2015	-155.87	36.69	5.80
Average	(32.14)	12.48	11.91

Table 11-Showing the Estimated FCFE, Present Values of FCFE and the Value of Rane Madres Limited as on 2015

Free Cash Flow Method			
Year	Estimated FCFE	PVIF	PV
2016	55.64	0.9218	51.29
2017	62.26	0.8497	52.90
2018	69.68	0.7832	54.58
2019	77.98	0.7220	56.30
2020	87.27	0.6655	58.08
TV	344.45	0.6655	229.23
Value of the Firm			502.37
Less - Market Value of Debt			50.96
Equity Value			451.41

Interpretation

The above table and show the free cash flow for equity were Rane Madras Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of equity but we have reduced in firm value by taking debt to know equity value in 2015 is 451.41crores.

Table4 12- Showing the Free Cash Flows for Firm Hindustan Hardy Spicer Limited for 2011 to 2015 will remain.

Year	FCFF (Cr)	WACC (%)	Growth Rate (%)	Dividend	Ke	Rf
2011	10.75	12.55	1.15	3.00	8.43	5.81
2012	36.76	9.34	8.07	5.00	(11.23)	8.15
2013	4.53	11.38	4.60	3.00	8.53	8.06
2014	(33.34)	10.40	4.10	3.00	15.20	8.34
2015	20.69	12.39	-	3.00	26.63	9.06
Average	7.88	11.21	3.58	3.40	9.51	7.88

Table4.12-Showing the Estimated FCFE, Present Values of FCFE and the Value of Rane Madres Limited as on 2015

Free Cash Flow Method			
Year	Estimated FCFE	PVIF	PV
2016	8.16	0.8992	7.34
2017	8.45	0.8086	6.84
2018	8.76	0.7271	6.37
2019	9.07	0.6538	5.93
2020	9.39	0.5879	5.52
TV	58.31	0.5879	34.28
Value of the Firm			66.27

Interpretation

The above table and show the free cash flow for firm were Hindustan Hardy Spicer Limited we have estimated to calculate present value of firm were taken average and predicted for 5 years. To know the value of firm in 2015 is 66.27 crores.

Table 13- Showing the Free Cash Equity for Firm Hindustan Hardy Spicer Limited for 2011 to 2015 will remain.

Year	FCFF (Crores)	WACC (%)	Growth Rate (%)	Dividend	Ke	Rf
2011	18.125	12.55	1.15	3.00	8.43	5.81
2012	82.116	9.34	8.07	5.00	(11.23)	8.15
2013	79.774	11.38	4.60	3.00	8.53	8.06
2014	-91.929	10.40	4.10	3.00	15.20	8.34
2015	-69.998	12.39	-	3.00	26.63	9.06
Average	3.62	11.21	3.58	3.40	9.51	7.88

Table 13-Showing the Estimated FCFE, Present Values of FCFE and the Value of Rane Madres Limited as on 2015

Free Cash Flow Method			
Year	Estimated FCFE	PVIF	PV
2016	3.75	0.9132	3.42
2017	3.88	0.8339	3.24
2018	4.02	0.7614	3.06
2019	4.16	0.6953	2.90
2020	4.31	0.6349	2.74
TV	4.47	0.6349	2.84
Value of the Firm			18.19

Interpretation

The above table and show the free cash flow for Equity were Hindustan Hardy Spicer Limited we have estimated to calculate present value of Equity were taken average and predicted for 5 years. To know the value of firm in 2015 is 18.91 crores.

Table 14-Showing Intrinsic value and Market value per/share for selected company as on 31st march 2015 cash flow model.

Company	Intrinsic Value	Market Value	Deviation	Overvalued/Under Valued
Automotive Axles Limited	1,010.29	827.25	183.04	Undervalued
Rane Madras limited	474.46	314.44	160.02	Undervalued
Hindustan Hardy Spicer Limited	121.39	102.00	19.39	Undervalued

Interpretation

The above tables were company of AAL as the intrinsic value is 1010.29cr and market value which has been trading on 2015 is 827.25cr they is a deviation is 183.04cr only. The Automotive Axles Limited is undervalued. Rane Madras Company Limited Intrinsic value 474.46cr and market value 314.44cr then deviation is 160.02cr comparing Rane Madras Limited Intrinsic and Market Value is where RML is undervalued. Hindustan Hardy Spicer Limited Intrinsic value 121.39cr and market value 102cr the deviation is 19.39cr.comparing HHSL is undervalued.

FINDINGS

- 8) The using DCF models were Automotive Axles Limited has the better cash flow in firm and equity compare to the Rani Madras and Hindustan Hardy Spicer Limited.

- 9) We have used different model when they is no growth rate compare of the selected firm RML and HHSL and equity cash flow of AAL company has 324.60 crores compare to last year it was 743.50
- 10) In constant growth rate of Automotive Axles Limited as firm were 334.5cr and for equity were 355.61 compare Rane Madras Limited and Hindustan Hardy Spicer Limited.
- 11) We have taken the growth rate were the AAL company have low growth of 2.98% compare to Rane Madras Limited.
- 12) The finding of present value FCFE and FCFE were for firm which as calculated for future to now PV factor 2547.31 crores and for equity 1526.75 crores AAL company as more compare to other company RML and HHSL
- 13) Intrinsic value of company AAL has 1010.29 crores other company and market value of the less then intrinsic value.
- 14) The three companies is undervalued but deviation is only AAL company as high rate which expectation of company is more compare to trading value.

SUGGESTION:

- 8) Compare to Rane madras and Hindustan hardy Spicer limited automotive axles is good in attracting funds so, it need to concentrate on retaining and increasing its customers and make utilize of its funds generated.
- 9) As maximum of ₹244/- crores is distributed to equity shareholders, company can make utilize part of it towards its growth.
- 10) AAL need to balance retention ratio and growth of a company by proper utilization of its saved earnings or retained earnings.
- 11) Automotive axles limited suggested not maintaining constant growth as it results in negative value of the company in market.
- 12) It is necessary for company to increase its growth level and generate positive values, as compared firms are performing well in the market.
- 13) As per estimated free cash flow company has good value or growths by the year end of 2020 so, company need to work on that.
- 14) As company have more funds available it can make utilize of it towards expansion of areas in production, maintain experts for internal process and produce as per customer's requirement and retain them.

SCOPE OF THE STUDY:

- 1) Further studies can be made by selecting joint venture companies for comparing with automotive axles limited.
- 2) As study is restricted to only 5 years, in future more number of years can be considered to make the study accurate.
- 3) Estimation of company values and growth can be extended to 10 or more years in further study.
- 4) Global comparison of companies may help AAL in its expansion and growth.

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The impact of leadership behavior and organizational culture on knowledge management practices in small and medium enterprises, a.p, india.

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ABSTRACT

Leadership is required in every organization at every level in order to run the organizations effortlessly, effectively and efficiently. Leadership is one of the qualities in social animals to direct others with zeal and confidence. The aim of this study is to investigate the impact of leadership, organizational culture on knowledge management Practices .To satisfy the aim of the study little research has been done to know about leadership behavior and its outcomes. This study was helped to improve our understanding of organizational culture, leadership on knowledge management practices.A survey was conducted Small and Medium Enterprises located and operating in A.P, India.

KEY WORDS

Leadership, Management, short-term planning, Supportive culture, bureaucratic culture, controlling, organizing, commitment, contemporary leadership

INTRODUCTION

Leadership and management are the key concepts in administration and sometimes that are confused. According to Kotter (1999) leadership and management are two concepts which are unique and matching systems of action. He distinguished main differences where these concepts have complementary actions (Kotter, 2009). These are: Leadership involves the development of a vision of the future, having a sense of direction. Management uses management processes, like planning and budgeting, to set the direction for the organization; Management is the development of the ability to realize plans in organizations by creating an organizational structure. Leaders however align people and share the new direction, they communicate goals, seek commitment and build teams and coalitions (Northouse, 2007); Motivation and inspiration of people are vital factors of leadership which will help to organization keeps moving in the right direction. They satisfy unmet needs and empower followers.

whereas both, leadership and management are two eyes of the organization, this study focuses on leadership style on knowledge management practice .it is an independent variable because setting direction, alignment, motivation and inspiration of people (Kotter, 2001) is needed to keep employees satisfied and committed to the organization. Leadership considers follower feelings while management has a more controlling manner of getting things done.

New Approach to Leadership

Relationship between superiors and their subordinates is different now. Leaders now do not depend as much on their legitimate power to convince people to do as they are told but they participate in an interaction with their employees or they widen and raise the interest of their employees (Northouse, 2007). Based on the new approach to leadership, there are two contemporary leadership styles which will be researched namely (Bass, 1990): 1. Transactional leadership motives and directs followers by appealing to their own self interest. The focus is on basic management processes like controlling, organizing and short-term planning. This style is more responsive and deals with present issues. It also relies on inducement of rewards, punishment and sanction for unacceptable performance and the ability of the leaders to motivate followers by setting goals and promising rewards for the desired performance. An exchange of information between leaders and followers to get the target performance. These exchanges involve four components of Transactional Leadership namely (Bass, 1990; 1999): Contingent Reward (CR): Leaders explain their expectations, provide the needed resources, set shared goals and link them to various rewards for doing well; Management by Exception Active (MBEA): Here leaders specify rules and standards. Furthermore they observe the work of the employees, watch for deviations and take corrective actions when mistakes or errors occur; Management by Exception Passive(MBEP): Leaders do not intervene until problems occur, they wait for things to go wrong before they take action; Laissez-Faire (LF): The leader renounces responsibility and avoids making decisions which leaves the employees without direction.

Transformational leadership anticipates future trends, inspires to understand and embrace new possibilities and builds the organization into a community of challenged and rewarded learners. Transformational leadership will help to others to develop as leaders or to be better leaders. Its focus is on being proactive, expecting nothing in return, inspiration and motivation of followers to work for goals that go beyond their self-interest. Learning opportunities are created by leaders and followers are stimulated to solve problems. The leaders develop strong emotional bonds with their followers and they possess good visioning and management skills. This leadership style has four components which are (Bodla & Nawaz, 2010; Robbins, 2005): Idealized Influence (II): Leaders act in such a way that they can be perceived as role models by the people they lead. They are admired, respected and trusted. These leaders are willing to take risks and they are described by followers as having exceptional capabilities, being persistent and determined. They have high level ethics and morals & can be trusted to do the right thing. Inspirational Motivation (IM): These leaders arouse the team spirit and show enthusiasm and optimism. They involve followers in defining the desired future state of affairs which creates commitment to the goals and the shared vision. Intellectual Stimulation (IS): The transformational leaders stimulate their followers to be creative and innovative by creating an environment in which they are forced to think about old problems in new ways. Mistakes are not publicly criticized. □ Individualized Consideration (IC): The leaders act as mentors and coaches. Two way communication is regular and differences are accepted. They respect individual desires and needs. They also assign multiple tasks to develop follower skills.

Organizational culture

Organizational culture is a complex phenomenon (Dubkevic & Barbars, 2010). This concept can be very broad and take on many aspects. While conducting research the researcher can come across many definitions of organizational culture. However many define organizational culture as a value system which determines attitude (Schein, 1985, 1990; Peters & Waterman, 1982).

The most popular organizational culture definition was given by Edgar Schein (1985). He defined organizational culture as "(a) a pattern of shared basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think and feel in relation to those problems". Schein (1990) and Daft (2005) discussed that there are three levels of culture manifestation namely: 1. the observable values (artifacts): this is the level that can be observed, the visible organizational structures and processes. This level is still hard to understand; 2. The espoused values: on this level an image of the organization is created. The strategies, goals and philosophies are formulated through answered certain questions, to create that image; 3. Basic underlying assumptions: these are deep beliefs which form the essence of culture. In this empirical study the following definition for organizational culture will be applied: "Organizational culture is the shared understanding of the beliefs, values, norms and philosophies of how things work (Wallach, 1983)" According to Wallach (1983) another way to analyze culture is by dividing culture into three categories namely: (1) Bureaucratic, (2) Innovative or (3) Supportive cultures. A bureaucratic culture is a very organized and systematic culture based on power and control with clearly defined responsibilities and authority. Organizations with this culture are mature, stable, structured, procedural, hierarchical, regulated and power oriented; An innovative culture has a creative, result oriented, challenging work environment and is portrayed as being entrepreneurial ambitious, stimulating, driven and risk taking; A supportive culture displays teamwork and is a people-oriented, encouraging, and has a trusting work environment. This culture is open harmonious, trusting, safe, equitable, sociable, humanistic and collaborative.

Wallach (1983) also stated that an employee is more effective in doing the assigned job and realizes his or her full potential when the individual motivation and the organizational culture match. This is very important in recruiting, managing, motivating developing and retaining employees.

OBJECTIVES

The main objective of this paper is to know the impact of leadership behavior and organizational culture on knowledge management practices & the other objectives are like

- To analyze the behavior of immediate supervisor /team
- To measure organizational culture
- To measure knowledge management processes

RESEARCH METHODOLOGY

Methodology is a systematic procedure of collecting information in order to analyses and verifies a phenomenon. To entire study is based on both the primary data and the secondary data.

DATA COLLECTION

Data is collected through two sources. They are

PRIMARY DATA

Primary data is collected from the selected sample employees (200) by using structured questionnaire.

SECONDARY DATA

Secondary data is collected from various journals magazines. The data was analyzed with the help of tables. Findings for each problem were written and suggestions were offered at the end of the report.

SAMPLING METHOD

Random sampling method used for this study.

SAMPLE SIZE

The respondent under study was selected through the simple random sampling technique. Among the total population in every organization the respondents were selected randomly. In fact the size of the sample was 200 employees out of the total strength

DATA ANALYSIS AND INTERPRETATION

I. Analysis on Behaviour of immediate supervisor /team leader

1) Provides Me Assistance In Exchange For My Efforts

PARTICULARS	NO.OF RESPONDENTS
Not at all	30
Once in awhile	10
Some times	100
Fairly often	10
always	50
Total	200

From the above table it is observed that out of 200 employees 30 members were said that their leaders did not provide the assistance,10 members weresaid that once in awhile,100 members were said that some times,10 members were said that fairly often,50 members were said that always leaders provide the assistance to followers

2)He is absent when needed

PARTICULARS	NO.OF RESPONDENTS
Not at all	50
Once in awhile	10
Some times	60
Fairly often	30
always	50
Total	200

From the above table it is observed that out of 200 employees 50 members were said that not at all,10 members were said that once in awhile,60 members were said that some times,30 members were said that fairly often,50 members were said that always leaders were absent when needed

3) Helps to develop my strengths

PARTICULARS	NO.OF RESPONDENTS
Not at all	40
Once in awhile	45

Some times	20
Fairly often	35
always	60
Total	200

From the above table it is observed that out of 200 employees 40 members were said that not at all,45 members were said that once in awhile,20 members were said that some times,35 members were said that fairly often,60 members were said that always leaders develop their strengths

4) Express satisfaction when i meet expectations

PARTICULARS	NO.OF RESPONDENTS
Not at all	10
Once in awhile	40
Some times	45
Fairly often	80
always	25
Total	200

From the above table it is observed that out of 200 employees 10 members were said that not at all,45 members were said that once in awhile,80 members were said that fairly often,25 members were said that always leaders were express satisfaction when followers met expectations.

5) Suggests new ways of looking at how to complete assignments

PARTICULARS	NO.OF RESPONDENTS
Not at all	45
Once in awhile	15
Some times	60
Fairly often	30
always	50
Total	200

From the above table it is observed that out of 200 employees45 members were said that not at all,15 members were said that once in awhile,60 members were said that some times,30 members were said that fairly often,50 members were said that always leaders suggests new ways of looking at how to complete assignments

II.MEASURING ORGANISATIONAL CULTURE

1) Decisions are usually made that the level where best information is available

PARTICULARS	NO.OF RESPONDENTS
Strongly Agree	90
Agree	70
Neutral	10
Disagree	20
Strongly Disagree	10
Total	200

From the above table ,it is observed that, out of 200 members 90 employees are strongly agreed, 70 employees are agreed ,10 members are neutral with the statement20 members are disagreed , 10 members are strongly disagreed i.e Decisions are usually made that the level where best information is available

2)Leaders and managers are follow the guide lines that they set for rest of the organization

PARTICULARS	NO.OF RESPONDENTS
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Strongly Agree	48
Agree	70
Neutral	10
Disagree	32
Strongly Disagree	40
Total	200

From the above table ,it is observed that, out of 200 members 48 employees are strongly agreed, 70 employees are agreed ,10 members are neutral with the statement,32 members are disagreed , 40 members are strongly disagreed i.e Leaders and managers are follow the guide lines that they set for rest of the organization

3)We have shared vision of what this organization will be like in the future

PARTICULARS	NO.OF RESPONDENTS
Strongly Agree	100
Agree	50
Neutral	5
Disagree	40
Strongly Disagree	5
Total	200

From the above table ,it is observed that, out of 200 members 100 employees are strongly agreed, 50 employees are agreed ,5 members are neutral with the statement,40 members are disagreed , 5 members are strongly disagreed i.e they have shared vision of what this organization will be like in the future.

4)there is a clear strategy and mission for future

PARTICULARS	NO.OF RESPONDENTS
Strongly Agree	90
Agree	60
Neutral	5
Disagree	30
Strongly Disagree	10
Total	200

From the above table, it is observed that, out of 200 members 90 employees are strongly agreed, 60 employees are agreed ,5members are neutral with the statement,30 members are disagreed , 10 members are strongly disagreed i.e there is a clear strategy and mission for future

III.MEASURING KNOWLEDGE MANAGEMENT PROCESSES

1) Learning by doing

PARTICULARS	NO.OF RESPONDENTS
Never	5
Infrequently	5
Moderate frequently	10
Frequently	30
Always	150
Total	200

From the above table it is observed that out of 200 employees 5 members were said that their Never,5 members were said that Infrequently,10 members were said that Moderate frequently,30 members were said that Frequently,150 members were said that always learning by doing is available.

2) On the job training

PARTICULARS	NO.OF RESPONDENTS
Never	10
Infrequently	10
Moderate frequently	30

Frequently	50
Always	100
Total	200

From the above table it is observed that out of 200 employees 10 members were said that their Never, 10 members were said that Infrequently, 30 members were said that Moderate frequently, 50 members were said that Frequently, 100 members were said that always On the job training is available

3) chat group/web based discussion groups

PARTICULARS	NO.OF RESPONDENTS
Never	120
Infrequently	30
Moderate frequently	10
Frequently	20
Always	20
Total	200

From the above table it is observed that out of 200 employees 120 members were said that their Never, 30 members were said that Infrequently, 10 members were said that Moderate frequently, 20 members were said that Frequently, 20 members were said that always with statement.

4) Repositories of information, best practices and lessons learned

PARTICULARS	NO.OF RESPONDENTS
Never	20
Infrequently	25
Moderate frequently	35
Frequently	40
Always	80
Total	200

From the above table it is observed that out of 200 employees 20 members were said that their Never, 25 members were said that Infrequently, 35 members were said that Moderate frequently, 40 members were said that Frequently, 80 members were said that always they have Repositories of information, best practices to lessons learned

CLOSURE AND RECOMMENDATIONS

Leadership, knowledge management, organizational culture is plays vital role in business world. They are most important factors for business success in this competitive market environment. Research related to these topics can be found in many professional journals, yet, no research has examined the relationships among leadership behaviors, organizational culture, and knowledge management practices. This study is, therefore, useful in helping to fill this gap. More specifically, this study aimed at investigating the relationship between leadership behaviors and knowledge management, and interaction of organizational culture on such relationships To achieve the aims of the study, a research model comprising four concepts transformational leadership, transactional leadership, organizational culture, and knowledge management practices, was developed. Importantly, the results of this study also suggest that leadership behaviors play a crucial role in building and maintaining a supportive culture for knowledge management. These findings, hence, provides practical implications to managers/leaders by offering a preliminary map that explain the leadership behaviors and organizational mechanisms for enhancing knowledge management practices. It is suggested that leaders must attach a high value to knowledge, encouraging questioning and experimentation through empowerment, build trust, and facilitate experimental learning of knowledge. Finally, this research is closes with recommended future research directions which hopefully would help pave the way for researchers willing to enhance and extend the findings of this research study.

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Predictive data analytics: A Prophecy for Insurance Business

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Abstract

Insurance companies globally are faced with new challenges such as unforeseeable disasters, greater customer expectations, and soft markets, new approaches to distribution, regulatory compliance and consolidation. These challenges are leading insurance organizations to improve profitability by reducing the length of underwriting cycles, the claims lifecycle, by providing real-time quotes, on-the-spot claim settlement and customized offerings. These business requirements are driving IT to deliver faster capabilities and offer ways to maintain and improve business performance metrics. However, insurers cannot achieve these objectives unless they have the means to develop useful information from the colossal amount of data they manage on a day-to-day basis. The insurance market's success relies on how accurately risk is assessed. Insurance providers need to organize, analyse, and convert disparate, unstructured data into more meaningful information as well as having a business intelligence platform with an appropriate set of key performance indicators (KPIs) aligned to their corporate strategy in order to measure, monitor and manage their business performance. However, insurance companies struggle with the challenges of managing the enormous amount of data they possess, which becomes a problem when combined with poor quality data. Insurers also face a challenge in regulating their claims costs, which a big portion of it can be controlled by detecting fraudulent claims early in the life-cycle and avoiding the payment of fraudulent claims.

This paper provides an overview of an insurance analytics solution and highlights insurance analytics solution to cater to the needs of insurance organizations to provide services in measurement and forecasting of KPIs, identification of fraudulent claims and underwriting irregularities.

Key words: Key Performance Indicators, Business analytics, claims settlement, Underwriting.

Introduction:

In current economic climate where budget reductions are common, executives are under pressure to deliver profitable growth. Business leaders must identify and implement the critical items that will enable the enterprise to remain competitive. Methods and techniques long utilized in the actuarial department are being leveraged to improve many areas of the insurance operation. Will these methods really deliver value, or are they just empty rhetoric? Today's soft market and other economic challenges make it more critical than ever that insurance company leaders maximize every dollar invested. Carriers, facing myriad challenges, are seeking opportunities to improve operating efficiencies and gain a better understanding of distribution channels, customer behaviour, product and pricing efficiencies, risk selection and earlier recognition of problems before the impact is felt. Despite the challenges, the current environment also creates the opportunity for insurers to outrun their competitors by improving enterprise agility and optimizing operating costs.

The winners at the end of this economic cycle will be those who have taken the time to make the necessary improvements to quickly capitalize on opportunities provided when the cycle turns up. Having the ability to accurately forecast performance in activities as diverse as operations, budgets, supplies, product demand and performance are crucial for business success. However, developing a better understanding of existing processes, customer behaviour, identifying opportunities that may have been unexpected and anticipating problems before they happen, are also critical to the success of any company. Predictive analytics can provide critical insight into these and other areas. It is effortless to see why using predictive analytics well is imperative to insurance organizations, which are particularly reliant on predicting future activities. An insurer's ability to forecast a policy's ultimate cost determines how accurately it prices its product and, in turn, the extent to which it can avoid adverse selection. In the fight for market share going on today, accurate pricing based on policy performance is one of the critical areas. It might be said that insurance carriers have always relied on forecasting, and that would be a correct statement. Initially, insurers simply guessed at appropriate premiums. Subsequently, in most cases led by the actuarial team, they determined premiums by analysing a single factor, such as the age of an insured building or the piloting history of an insured ship's captain, both examples of

univariate analysis. As insurance operations became more technologically advanced, multiple factors such as the age of the insured building, its type of construction, its usage, and so forth were used to determine an appropriate premium, multivariate analysis. Insurers use techniques known as predictive analytics to determine many critical items. Internal and additional external data - information such as credit scores or local economic conditions that may be relevant or correlated with a potential insurance outcome are used to deliver key elements of an insurance solution. The use of predictive analytics has quickly become an insurance industry best practice. Insurers use predictive analytic techniques to target potential clients, identify the way they approach an insurance purchase, determine more relevant products for a specific market as well as more accurate product pricing and to proactively identify potentially fraudulent claims.

REVIEW OF LITERATURE

Data analytics being a sunrise concept, primary data based research is wanting in this area. A review of books revealed that big data in marketing is finding a wide range of applications, from correlating ads and sales, to audience measurement, to predicting customer behaviour. Leveraging big data in new ways is enhancing the ability to make advertising and marketing more effective, not just cost-wise, but in the ability to shape and target messaging in a highly customizable way (Marketing Analytics: Strategic Models and Metrics by Stephan Sorger).

Big Data has changed the game completely - we can connect with customers, record every click on the web, watch every step in the store, and listen to all public conversations. We can now personalize our communications to each customer based on their current predisposition to the products being sold (Engaging customers using big data by Dr. Arvind Sathi). Marketing analytics techniques can be applied for solving key marketing problems ranging from resource allocation, segmentation, pricing, campaign management and digital marketing strategy (Cutting edge marketing analytics: Real world cases and data sets for hands-on learning by R.Venkatesan, and others).

NEED OF THE STUDY

Life insurance has always been a competitive business. Insurers can increase top and bottom-line growth by acquiring and retaining the most profitable customers. However, identifying profitable customers and keeping them requires a structured customer relationship management strategy. An important tool for customer relationship management is analytics. In this paper, we will look at how analytics can help life insurance companies acquire and retain customers.

OBJECTIVES OF THE STUDY

- 1) To study the meaning, scope and benefits of data analytics in the digital age.
- 2) To examine the data analytics models for customer acquisition and customer retention strategies. .
- 3) To study the drivers of analytics in the process of assessing the performance of Insurance

MEANING OF DATAANALYTICS:

Analytics can be defined as studying past historical data to research potential trends, to analyse the effects of certain decisions or events, or to evaluate the performance of a given tool or scenario. The goal of analytics is to improve the business by gaining knowledge which can be used to make improvements. In the life insurance industry, analytics can help a company create a comprehensive roadmap for managing the entire lifecycle of a customer, from acquisition to lapse or maturity.

Meaning and Scope of data analytics in the digital age:

Data analytics (DA) is the science of examining raw data with the purpose of drawing conclusions about that information. Data analytics is used in many industries to allow companies and organization to make better business decisions and in the sciences to verify or disprove existing models or theories. Data analytics is distinguished from data mining by the scope, purpose and focus of the analysis. Data miners sort through huge data sets using sophisticated software to identify undiscovered patterns and establish hidden relationships. Data analytics focuses on inference, the process of deriving a conclusion based solely on what is already known by the researcher.

The science is generally divided into exploratory data analysis (EDA), where new features in the data are discovered, and confirmatory data analysis (CDA), where existing hypotheses are proven true or false. Qualitative data analysis (QDA) is used in the social sciences to draw conclusions from non-numerical data like words, photographs or video. In information technology, the term has a special meaning in the context of IT audits, when the controls for an organization's information systems, operations and processes are examined. Data analysis is used to determine whether the systems in place effectively protect data, operate efficiently and succeed in accomplishing an organization's overall goals.

The term "analytics" has been used by many business (BI) software vendors as a buzzword to describe quite different functions. Data analytics is used to describe everything from online analytical processing (OLAP) to CRM analytics in call centers. Banks and credit cards companies, for instance,

analyse withdrawal and spending patterns to prevent fraud or identity theft. Ecommerce companies examine Web site traffic or navigation patterns to determine which customers are more or less likely to buy a product or service based upon prior purchases or viewing trends. Modern data analytics often use information dashboards supported by real-time data streams. So-called real-time analytics involves dynamic analysis and reporting, based on data entered into a system less than one minute before the actual time of use

Analytics to Acquire and retain customers

“Analytics that focus on acquisition and retention can help insurers increase market share — without sacrificing profitability — by managing the return on acquisition and retention spend among and within marketing, distribution and service.”

Life insurers can leverage analytical tools to unlock both simple and complex data and reap benefits that can:

- Identify potential markets and distribution opportunities
- Detect customer retention risk
- Customer retention analysis — why, where and when you are losing customers
- Customer leads analysis to support development of a fully integrated distribution model
- Financial modelling to inform customer experience and advisor conversations on how to improve financial client well-being
- Claims management and leakage analysis
- Promote new products in specified markets
- Create cross-sell opportunities Generate long-term customer relationships.

A) Analytics Support for Customer Acquisition

Analytics can reduce the cost of customer acquisition by optimizing the results of marketing campaigns. Predictive modelling for customer acquisition looks at a combination of psychographic, text, web-log, or survey data regarding prospects.

When the data is fed to the analytics engine, it can uncover hot spots for prospect scoring. An insurer can create specific market segments and build appropriate strategies and activities for each segment.

B) Analytics Support for Customer Retention

The Impact of Policy Lapse on Revenue and Profit

Policy lapse is a concern for most insurers. The sooner a policyholder leaves an insurer, the less likely the insurer has recouped the acquisition costs that hurt the company's bottom line. That is why insurers focus on reducing lapse rates, particularly for the most favourable customer profiles. Methods for Reducing Policy Lapses

1. Multi touch Point Program

A multi-touch point program with appropriate message content and frequency brings down the chances of lapse during the first and corresponding policy years. The communication mechanism can consist of an annual review of the policy, thank you card, and newsletter and seasons greeting card.

2. Cross Selling :

Cross-selling another way to reduce lapse is to sell new products to existing customers. Cross-selling expands the relationship and helps reduce attrition. Analytics play an important role in cross-selling campaigns by:

- Determining the next-best products for existing customers based on the typical buying patterns of customers with similar demographic characteristics.
- Uncovering customer segments that are most likely to respond within the existing customer base

3. Optimization Within a product portfolio

There are a number of policies that go into lapse status and there are different types of customer profiles. It does not make sense for an insurer to try to activate each lapse case. Some customer profiles are desirable, some standard, and some loss-making. To increase profits, insurers will focus on specific policies to be activated and not take an umbrella approach.

Insurance Industry Challenges Requires Greater Insight:

Insurance losses due to natural catastrophes have increased significantly over three decades. Along with rising losses the insurance industry also faces a volatile economic environment with weak investment returns and low interest rates.

Rising insurance frauds further cuts profit for insurers. Along with profitability challenges, driving top-line growth is also difficult. Insurers cannot continue to increase premiums, given the increasing competitive intensity. At the same time technology advancements are replacing the traditional insurance

agent with other interaction channels. Most of the growth in industry today manifest in new risks0either by entering new growth markets (Such as South America or Asia) or by targeting new insurable products .At the same time new regulatory requirements are driving up reserve requirements. Faced with such top-line and bottom-line challenges in an un-certain and risky environment, insurers are looking at sophisticated analytics provide answers

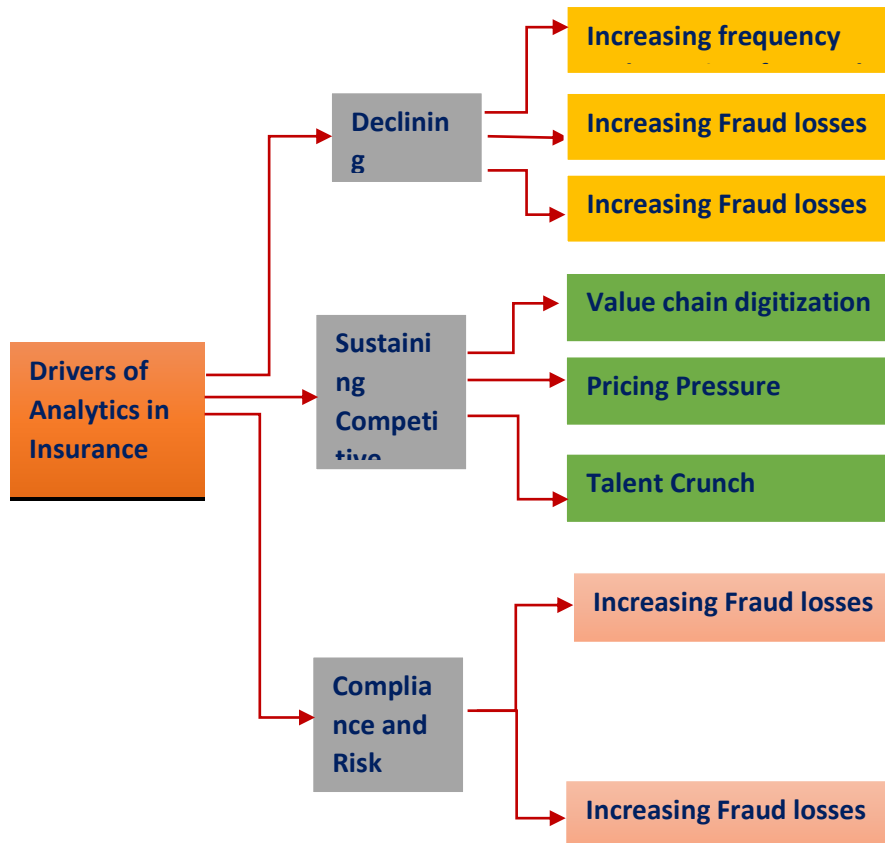


Fig1: Drivers of analytics in Insurance

A) Declining Profitability:

Frequency and severity of natural catastrophes has increases significantly over the last three decades. Most scientists across the globe believe that this trend will continue. Rising insurance cuts profit for insurers. It limits their ability to offer competitive premiums to their customers and worsen their loss and combined ratios. The policy holders also suffer due to higher premiums.

Along with the rising losses, the insurance industry also faces a volatile economic environment with weak investment return and low interest rates. Given these dual challenges with underwriting income and investment income profitability is a serious concern or the industry.

Declining profitability for insurers is forcing them not only relook at their operations, but also product design.

B) Sustaining Competitive advantage:

Faced with increasing loss ratios, insurers need to increase premiums. However, insurers cannot continue to increase premiums given the increasing competitive intensity and challenging growth within existing clients. Need for accurate pricing of insurance is more intense than ever to ensure a sustainable competitive advantage. To add more complexity to the situation, actuaries are expensive, difficult to hire, and retain.

Conventional ways of doing business no longer work. Technological evolution has started replacing the traditional insurance agent with other interaction channels-Phone, online self-services, and chats. Need for speed is also high as insurers cannot afford slow understanding cycles is an intensity competitive market

C) Compliance and Risk management:

Most of the growth in the Insurance Industry today driven by new risks that taken by the insurers, either by entering new growth markets (such as South America and Asia) by targeting new insurable products.

Predicting the financial Behaviour through KPI

The objective of any analytics is to identify the key performance areas which are more potential to the decision making and further planning. It is very much essential to generate the report of each area with all key performance indicators. The following are the key performance activities which leads to sophisticated analytic process

- 1) Separation of data into homogeneous manner
- 2) Production of Financial statements

The business of insurance is very technical and grounded on fundamental principles and statistics. Long-term success requires good management performance in several key areas including product design, risk and investment management, quality servicing, efficient distribution, and accurate pricing. To perform consistently well in all of these areas, managers need relevant and reliable information extracted from quality data generated by the insurance operations. It follows that one of the key functional units that should be developed early on is a competent data department skilled at developing systems and data management. Many organisations provide services other than insurance, and although the activities of delivering multiple services may be integrated, insurance data must be captured in such a way that it can be easily separated from data generated by non-insurance activities. Separate accounting for insurance and other activities will enable isolated measurement of financial performance for each activity. For small-scale micro insurers, for example, reasonable estimates of part-time staffing costs and use of other resources for the insurance activity may be sufficient; however, larger-scale insurers with fulltime dedicated staff should account for actual salaries and all other associated costs of running the programme.

The principle also extends to maintaining separate data for each product as this enables monitoring, management and performance indicators evaluation for each product. Isolating performance of products facilitates analysis and enables a more specific management response. Sometimes, the results of a poorly performing product can be masked by the stellar performance of a companion product. To identify this requires analysis of product-specific data. Until an insurance programme can do this, it is not likely to realize its full potential.

Production of financial statements

For any insurance programme, one should be able to produce the following financial statements based on its activities:

- a) Income Statement (also called Profit and Loss Statement);
- b) Balance Sheet;
- c) Cash Flow Statement (also called Sources and Uses of Funds).

There are variations in the way financial statements are prepared in different regions of the world. For example, in many French-speaking countries the format is quite different from that used in other countries such as the United States. Regardless of the format, there are minimum standards expected to be incorporated:

- Insurance information is separated from that of all other activities;
- Information is segmented for each insurance product;
- Information is based on complete and audited databases;
- Accrual accounting method is used recognizing earnings, expenses, claims, and liabilities as these are incurred;
- Statements are produced at least quarterly;
- Statements are produced in a timely manner, within a pre-determined number of days³ after the accounting period has ended;
- Net income is shown prior to non-permanent subsidies (i.e. subsidies that are temporary and expected to end in future periods); and
- Reserve levels are recognized as liabilities on the Balance Sheet and reserve increases as expenses on the Income Statement.

The financial statements prepared accordingly are required by Management to get a punctual overview of the performance, but the statements may also need to meet some additional regulatory requirements and standards.

The Factsheet, a part of the key performance indicators toolkit, is discussed in Table 1. The format of the Balance Sheet and Profit and Loss used in the Factsheet can be used as a guide for developing a Profit and Loss Statement and Balance Sheet for an insurance programme.

Performance area	Requirements to perform well	Examples of primary operations data needs
Risk Management	Understanding of Insured risks	<ul style="list-style-type: none"> • Life, disability, health: date of birth, gender, occupation etc. of all insured • Health: Diseases / causes of hospitalization • Weather: Rainfall data
Investment management	A combination of assets that optimizes security, liquidity and investment income for the programme	For life and health, primary data such as age, gender, occupation, and other information about insured persons enables the actuary to project the timing and amounts of future claims and expenses. This information is then used to select appropriate assets to invest the reserve funds
Product and service quality	<ul style="list-style-type: none"> • Understanding of customer preferences • Ability to measure performance 	<ul style="list-style-type: none"> • Date claims were reported and paid to monitor promptness of claims payment indicator • Reasons for renewal / non-renewal
Cost control and claims management	Understanding cause of claims D	Detailed claims information such as date the insured event happened, the amount of damage/loss, etc.
Overall management	Financial statements	Detailed transactions data such as individual premium payments, benefit payouts, etc.
Marketing	Premium rates commensurate to the covered risks but still competitive and of good value	<ul style="list-style-type: none"> • At least, all of the above data • Details about insured persons such as date of birth, gender, etc. • Details about insured assets such as financial value, composition, serial number etc.

Table 1: Key Financial and Nonfinancial data needs to the analytical systems

While some micro insurers do not collect sufficient or the right kind of data, there are some that collect too much data. There is a trade-off between the cost of collecting additional data and the incremental gains from the added information. Too much data collection can be costly whereas insufficient information will impair management capability and the evolution of the business. Depending on the organisation, adequate management information systems can range from a series of simple

cumulative spreadsheets to elaborate custom-built administration systems or comprehensive financial accounting software spanning all departments. A bad practice of many insurers is to delete data records of policies or certificates that have expired or when members drop out of the programme. Data should be kept indefinitely in archives since it will be useful to analyse the history at a later point. Another common mistake is to keep running totals of key figures such as premium payments instead of maintaining complete individual transactional histories. Without such histories, it is difficult for the actuary to price products accurately since assumptions must be used to bridge the data gaps.

The quality of data is an important component of this principle. Some organisations accumulate voluminous databases but do not invest enough in ensuring that the data is useable and accurate. Systems should be designed to control and edit data upon entry; simple drop-down menus, for example, increase the accuracy and the speed of data entry.

Software applications should be added to the system to periodically analyse database consistency based on the history of business rules. For programmes involving several partners, databases may be fragmented. For example, a health programme may capture data at each of several possible partners: Distributor, third party administrator (TPA), insurer, intermediary, service providers, and others. To ensure that the appropriate data is captured, the various end-users must be involved in the database design.

Organisations often rely too heavily on their programmers to determine the types of data to be collected. Design of the database requires an in-depth understanding of insurance operations and an ability to foresee future changes in the requirements as mentioned in the following table2

Program Requirements	Database design requires input form
For evaluating performance indicators, for effective management	Management and support staff
For financial management and accounting	Management, accountant, and support staff
For calculating reserves, for pricing products	Actuary, underwriter
For meeting regulatory requirements	Management, actuary, support staff
For managing distribution channels (e.g. MFI, individual agents, etc.)	Marketing managers and field staff

Table2 : Future Requirements for the data base design for Insurance Decisions

A quality management information system which must include:

- a) A relational database in normalized form;
- b) Applications developed for claims monitoring and performance indicator evaluation
- c) Applications for financial and risk management.

In summary, data is an invaluable resource that must be harvested and managed well to enable extraction of intrinsic and invaluable information.

Calculating and setting up reserves

Over time, all insurance programmes build up liabilities such as accrued expenses and benefits payable in the future. Liabilities must be funded as accrued so that they can be paid quickly when due. Actuarial reserves, reserve funds or technical provisions, or simply reserves are funds set up by insurers and managed for this purpose. In general, a reserve in this handbook may be regarded either as a fund or as an accounting provision which is set aside to fund the future net liabilities of an insurance programme. It is rare to find a programme that does not require reserves. In the case of Partner-Agent programmes, the distribution organisation (the agent) usually does not require reserves, but the insurer covering the risk (the partner) is required to set up the appropriate reserves in order to answer its future obligations and to measure the financial state of the programme (from its perspective) for a particular accounting period. Similarly, a stand-alone risk-bearing insurer must calculate and set up reserves.

The most general definition of a reserve is actuarial present value of future liabilities less actuarial present value of future premiums. Usually, calculating exact reserves using this formula is very difficult since complex actuarial calculus and statistics must be employed. Commonly, simplified methods and tools that follow accepted standards and practices are used instead. These require the databases discussed in Principles 1 and 3 as primary input. 6 Every insurer and self-insured programme should, in addition, and if possible, buy reinsurance coverage for large scale catastrophic events.

Since reserves represent liabilities as of the end of an accounting period, methodologies should accurately measure any outstanding liabilities at that point. Aside from the expenses and claims expected from the usual risk events (such as normal rates of death and illness), there should be some provision for less probable events (such as earthquakes, disease epidemics⁶) as well. Reserves for long-term products should be calculated directly by an actuary.

Reserves	Type of Liability
Unearned premium reserve	Claims yet to happen over the remaining term for which premium was paid
Incurred but not reported reserve	Claims that have happened but are not reported yet
Claims in course of settlement	Claims that are reported but still being settled
Accrued liabilities reserve	Other accrued future expenses, claims, savings, accrued interest

Table 3 : Different reserves and corresponding liabilities

Aside from those, some programmes also set up a contingency reserve to temporarily retain profits or to absorb statistical fluctuations in claims. The level of reserves varies depending on the type of insurance product, on its design and features, and on how the insurer is implementing the programme. For example, reserves for a life insurance product are not the same as the reserves needed for a health insurance product, while identical products carried by two different insurers may require different reserve levels because of their differences in management style or their approaches to distribution.

Some examples of the determinants that affect reserve levels for a particular product include:

- The risk profile of covered clients or assets
- Management style of the insurance programme
- Assumed future interest rates and inflation rates
- Benefits structure and other product features
- Regulatory requirements; and
- Margins to compensate for error in pricing assumptions

Efficient and continuous claims monitoring

In observing this principle of continuous claims monitoring, the focus should be on detecting developing trends and patterns in claims as this will lead to actionable and better informed management decisions. This is especially important for some types of programmes such as health insurance where any of the numerous volatile factors affecting claims can change suddenly. Both claims incidence (frequency) and claims amount (severity) must be separately monitored. Continuous monitoring will also enhance understanding of the degree and nature of insured risk events, aid in identifying moral hazards, improve pricing, and help minimize adverse selection. This type of monitoring and analysis is important even for community-rated programmes because it will help to identify emerging problems early on. Studying denied claims is also useful because it gives insight towards better design of products and education materials. For life, health, and disability products, actual claims should be compared to expected claims by age, gender and other important parameters that were used for setting the premium rates. This will shed light on the accuracy of the pricing assumptions. Pricing may also improve as new and important parameters are identified.

To self-test whether this principle is being observed, the following questions should be considered:

- Does the organisation have a cumulative claims database designed with inputs from Management and experts including an actuary?
- Is the claims database current and complete?
- Can changes in the trend and pattern of claims be quickly identified?
- Are there software tools capable of comparing actual claims to expected claims for a particular period?
- Can adverse selection and moral hazard be easily detected?

There are many important attributes (data elements or fields) that every claims record must have. While requirements vary by product, all claims records should at least contain the attributes in the following Table

Data element	Explanation
Incurred date	When did the event that led to the claim occur?
Reported date	When was the claim reported to the insurer?
Payment date(s)	When was the claim paid? When did the money reach the beneficiary?
Insured person / policyholder	This is the primary key to insureds' database, where presumably the important attributes of insureds is captured.
Risk event and cause that resulted in a loss / claim	What was the risk event that resulted in the claim? (e.g. cause of

	death / disability / sickness / cause of property damage)
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Table 4: The data elements in the process of claim settlements

Conclusion:

The business of insurance relies on accurately assessing risk. Insurers typically have colossal amounts of data in many different forms and with various stakeholders. The insurers need ways of organising scattered, structured & unstructured big data into invaluable information that can help in making informed decisions, building **predictive** and **descriptive analytics** that provide **perceptive insights** into the business. The objective of any analytics is to identify the key performance areas which are more potential to the decision making and further planning. It is very much essential to generate the report of each area with all key performance indicators.

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Emerging Trends And Challenges In Rural Marketing As Well As Digital Marketing In India

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ABSTRACT:

Rural markets have become integral part of the global market. Today very crucial to understand rural market by marketers. In recent years rural markets have required importance as the overall growth of the Indian economy. On account of green revolution, and improved economy the people living in rural areas are consuming a large quantity of industrial and urban manufactured products. Rural market is like gold mine with lot of difficulties. To feel the pulse of the rural consumers and to tackle the rural market. We need formulate a well designed strategy. In this context, a special marketing strategy namely rural marketing has emerged. Rural marketing means delivering manufactured products and services to rural producers or consumers. Any market main objective is for getting profits. So the rural marketers must think about rural for long term success instead of short term profits.

Today Indian market is changing fast and rapidly. Present day's internet access people increases day by day and use of mobile is intensifying. The present in market changes occurred rapidly with the digital tools and sites. These uses very much in their lives in people. In this context, this paper highlights the emerging trends and challenges in rural market as well as digital market.

Key words: Rural marketing, Digital Marketing, Indian economy, E-commerce, Agro Products, SEO and Google adenosine.

Introduction:

Majority people of India live in rural villages and are nearly 70-72 percent of total population. The government of India has planned various initiatives to provide and improve the infrastructure in rural areas as well as implemented various schemes and programmes for rural marketing development. For development of rural villages government of India implemented under the slogan of financial inclusion for banking connectivity. The rural economy used to contribute nearly half of the country's GDP. Business organizations have been embarrassing so many numbers of new trends in modern marketing, Green marketing, Corporate Retailing, Digital marketing and so on. The government of India has been allocated rural, agricultural and allied sectors Rs.187, 223/- (Union Budget 2017-2018). The government of India is looking to install Wi-Fi hotspots at more than 1000 gram panchayats across India this project is called Digital village, under this in order to provide internet connectivity for mass use, as well as to enable delivery of services like health and education in far-flung areas. The government to reach rural areas by connecting with the government's common service centers (CSCs) being set up in villages as part of the 'Digital India' initiative. The government of india created special budget for development of infrastructure that budget is called RIDF.

Rural market can be defined it means rural consumers and it includes socio-cultural and behavioral part of rural market. Rural marketers must understand, rural consumers mindset, whether they buy low end products or high end products, whether they live in village or town etc. In simply rural marketing means movement of goods and services from urban to rural and rural to urban markets. Rural marketing not only covers agri marketing but also marketing of all goods and services which satisfy the rural consumers and improve their standard of living.

Digital marketing is a part of a Digital Economy. India is a fast moving nation towards digital economy the demonetization of the indian Currency in the last quarter of year 2016 . Government launched various digital payment promotion schemes includes requires digital promotion and marketing strategies. Present the telecom sector also playing an important role in the digitalization movement. For example recent launch of reliance telecom jio with the free unlimited internet facilities has played a revolutionary roll. The prominent companies like airtel, idea, vodafone and BSNL are also offering various attractive internet plans. In the part of digitalization most of the indian banks also providing more customer friendly and secure money transaction services. Now indian consumer spending more time on social media and internet surfing. Thus the any product visibility like digital medium than traditional marketing techniques. Digital marketing includes some of the following techniques like content marketing, Marketing Automation, Adwords ,SEO, Social media and website design. The government ,banking system ,shopping portal in india ,internet service providers and software service providers are the key players and role players. The use of the internet and other digital media and technology to support 'Modern Marketing'. It is also called internet marketing, e-marketing and web marketing etc.

Digital marketing means “Achieving marketing objectives through applying digital technologies and media”. So, digital marketing is about utilising digital technology to achieve marketing objectives. It requires certain skill set to utilise the digital technology effectively.

Rural marketing make attractive and potential:

In rural villages lower middle income households are living compare than urban areas. In rural area market very low compare than urban areas. But present days rural markets are more attractive and potential because of green revolution, globalisation and privatisation & more marketing opportunities existed in rural areas. For infrastructure development the government of India implemented five year plans for rural people.

Why this shift in marketing focus to rural India?

1. Market conditions: Today marketers look at rural market by compulsion and by choice. It is compulsory because urban markets almost reached saturation point and there is no other go. It is also a choice because they are attractive and potential. Marketers start moving into the rural markets and find that there is a big fortune at the Bottom of the Pyramid.
2. Competition: Competition is becoming tough in urban markets compelling many firms to incur heavy costs in promotional expenditure. Most of the companies spending heavily on promotion which will become burden on existing consumers. Marketers find rural markets are more attractive where there is less competition.
3. Awareness Level: The awareness level of urban consumers is high hence they always look for new product or new features in existing product. This process needs a huge investment which will have a negative impact on profitability. Thus, perhaps for easy reach the urban markets have become extremely difficult. Since the awareness level of rural consumers is low they easily accept existing products.
4. Interdependency between urban and rural market: Urban markets invariably depend on rural markets for agri produces such as food grains, fruits and vegetables, milk and meat, agri based raw materials for sugar, cotton industries and so on. Similarly rural markets depend on urban products such as agri inputs and other goods and services. Today this dependency has been increasing due to change in life style of rural consumers.

Some Facts about Rural Market:

Rural India consumes 45% of all soft drinks, 50% of sales of motorcycles, TVs, cigarettes, detergents, fans, blades, and a lot others. 70% of new subscribers for telecommunication, 55% of new policies for LIC, 60% of India's annual consumption of gold and jewelry is from rural and semi-urban areas. One of the key trends in the rural markets is people changing very from cable to satellite TV. 50% of DTH connections are from rural market. Around 75% of the rural people are aware of insurance but less than 20% rural households own a policy. Less than 10% of rural households own a two-wheeler. Telecommunication services covered only 20% of rural market. Be it automobile, telecom, insurance, retail, real estate or banking, the future drivers of growth are rural. No marketer can afford to ignore the possibilities of rural India.

Rural area sales products:

- Milk and poultry products: we are the largest producer of milk in world rank first in world.
- Handi crafts and handloom products : handloom, coir, sericulture and khadi etc.
- Other products –small scale industries etc.

The rural agro products: the following are the main agro products of the rural villages.

- Fruits and vegetables
- Grains
- Rice milling
- Pulse milling
- Flowers etc.

Digital marketing – Meaning: Digital Marketing is the term most frequently used today, so that is the term we focus on. In simple words we define digital marketing is “Achieving marketing objectives through applying digital technologies and media”. So, digital marketing is about utilising digital technology to achieve marketing objectives.

Effective ways of Digital Marketing:

Effective Ways of Digital Marketing In order to achieve success one suppose to move in the following manner.

Plan - Create a structured plan and roadmap by reviewing your current weaknesses and the opportunities to boost online leads and sales.

Manage - Review your marketing activities, so that you know where to focus to get the Quick Wins which will make the biggest difference

Optimize - Learn the best practices and success factors to help you compete to get better results

Let's list the different ways you can use the digital medium to popularize and drive conversions for any startup or business.

a) Search Engine Optimization (SEO): Search Engine Optimization or SEO is essentially tweaking your website so that it comes up naturally or organically for search results in Google, Yahoo Bing or any other search engine. Google updates its algorithms regularly so that only the relevant results come up. Many experts say that SEO is dead and the effort is futile. However, the truth is that Google tries to prevent algorithm manipulation and filters sites that don't deserve to be on the top of SERPs (Search Engine Result Pages).

b) Search Engine Marketing (SEM): Search Engine Marketing or SEM is the comprehensive strategy to drive traffic to your business, primarily through paid efforts. Hence it is also called Paid Search Marketing. The universe of SEM is diverse and complicated. Based on your business structure, you may choose PPC (pay-per-click) or CPC (cost-per-click) model, or CPM (cost-per-thousand impressions) model. SEM also includes Display Advertising, Search Retargeting & Site Remarketing, Mobile Marketing and Paid Social Advertising. There are different platforms for SEM. By far, Google AdWords (on Google Network) and Bing Ads (on Yahoo Bing Network) are the most popular. You may choose a single-point strategy like PPC, or go for a complete SEM strategy, including Display and Retargeting. But whatever you do, make sure your work is managed by experts as wrong planning may make your costs go haywire.

c) Content Creation: Content can be presented in different formats, including blogs, white papers, e-books, case studies, how-to guides, question and answer articles, forums, news and updates, images, banners, infographics, podcasts, webinars, videos, or content for microblogging and social media sites. All recent changes to Google's algorithm - be it Panda, Penguin or Hummingbird - point to the fact that content is the most important metric while filtering search results. You can be creative and create content on any topic and then skillfully link it indirectly to your business.

d) Social Media Marketing (SMM): Social Media Marketing or SMM is an offshoot of your SEM efforts. It involves driving traffic to your sites or business through social sites like Facebook, Instagram, Twitter, Pinterest, Google+, LinkedIn, etc.

e) Digital Display Advertising: This again is a subset of your SEM efforts. You may use a variety of display advertising formats to target potential audience - be it text, image, banner, rich-media, interactive or video ads.

f) Retargeting and Remarketing: Essentially, Retargeting or Remarketing is a strategy to target customers who have already visited your website. It is based on cookie technology.

g) Mobile Marketing: The website, apps and content is being customized for mobile devices. The mobile users are growing day by day and it is the most effective way of marketing.

h) Interactive Marketing: Make sure your advertising strategy engages the potential customer in a conversation. According to a survey by ExpoTV.com, 55 percent respondents preferred to have ongoing communications with the companies they buy from; and 89 percent felt more loyal to the companies if they were invited to provide feedback. Use tools like widgets and opt-in features to make your website interactive, solicit feedback and track user behaviour. Engage with the customers actively and customize offers based on their preferences and browsing activities.

i) Viral Marketing: Viral Marketing is a strategy where a unique content spreads exponentially online, because the content is appreciated, shared and liked immensely.

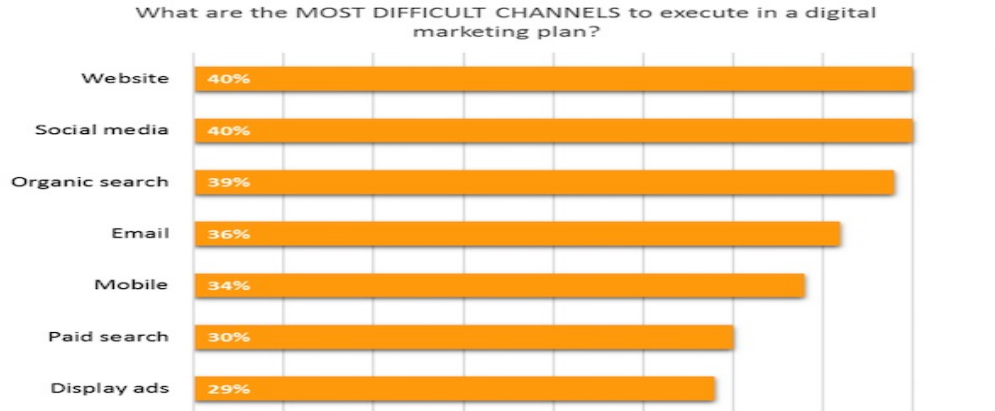
j) Email Marketing: When you send a commercial message through email to a list of potential customers, the strategy is called Email Marketing. With an effective email marketing software, you can maintain email lists that are segregated based on several factors, including customers' likes and dislikes, and spending habits. Remember to send personalized emails; this helps to develop trust. However, note that Email Marketing may also be considered as spamming and there are laws against it in some countries.

k) Affiliate Marketing: Affiliate Marketing is a performance-based marketing program, where you pay publishers who bring you customers. The performance may be based on conversions - promotions, leads or simply sales. You may like to be part of the affiliate programs of different publishers. Affiliate Marketing is especially useful for startups, as it will bring in more traffic to their business through high-traffic sites. In essence, Affiliate Marketing is a win-win situation for both the merchants and publishers. Sites like Amazon, eBay, LinkShare and Flipkart run Affiliate Programs.

l) Digital Media Planning and Buying: When a media agency researches and makes a comprehensive strategy framework, we call it Digital Media Planning. Be it in driving sales or conversions, launching a new brand or promoting an established brand, or changing customer behaviour, the media agency plans different platforms and formats to reach the desired audience. It

studies reach and frequency of different web-based and mobile applications. The agency works with different partners and buys relevant space and ideas. This is called Media Buying. In essence, Media Buying and Planning entails all the strategies that we have discussed above.

m) Web Analytics Perhaps, the most important aspect of your Digital Marketing is Web Analytics. Essentially, Web Analytics helps you to collect, measure, understand, analyze, plan, report and predict the web activities for your business. Web Analytics should not be confused with Web Statistics. As opposed to simple reporting, Web Analytics gives you analyses and different angles to ponder vis-à-vis your business. Some of the important Web Analytics tools are Google Analytics, Spring Metrics, Woopra, Clicky, Mint and Chart beat. It goes without saying that every advertiser should use Web Analytics to understand.



Ascend2

2017 Digital Marketing Plans Survey, Ascend2 and Research Partners, December 2016

Major factors affecting the Digital Marketing:

- India's literacy rate** is at 74.04%. Kerala is the most literate state in India, with 93.91% literacy. Six Indian states account for about 70% of all illiterates in India: Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, Andhra Pradesh and West Bengal. Thus increasing literacy positively effecting the digital marketing growth in India .
- Expensive technology**: The mobile and internet rates are very competitive and now it is in reach of a common man also.
- Cost of advertising**: The cost of advertising is very low. One can have its own website in just Rs. 5000 in India. One can promote his product on Google with Google Ad sense with just Rs. 1000 a month.
- Inherited limitation of Technology**: In India the youth is very adaptable towards technology but still large population is not so friendly with the electronic gadgets.
- Unavailability of Infrastructure facilities in India** : The internet connectivity is still not available in Indian rural areas.
- Believe in Traditional business practices** : The small businessman having running its business in a small area and quite focused on that area only then he prefers Traditional ways of Promotion as it he finds it is more visible to the people around.
- Lack of Online Business Experience**: Lack of awareness about the digital marketing is also a major limitations in the growth of the digital market.

EMERGING TRENDS AND CHALLENGES IN RURAL MARKETING AS WELL AS DIGITAL MARKETING:

The change in consumption pattern: The consumption pattern and life style among rural consumers is changing due to exposure to media. Media particularly TV has been a great leveler. Even in small villages, people who have seen the urban lifestyle on television seem to want similar goods and services. On the consumption front, 33% of rural consumers are eating biscuits and bread for breakfast. Instant noodle sales are double in rural India compared to urban.

1. Seemingly 'urbane' brands in categories like deodorant and fabric softener are growing much faster in rural India than urban and 17% of rural buyers of hair dye now use colors other than black to indulge in the trend of externalized beauty that is picking up fast in rural areas. Companies have realized this and are going all out to tap this latent demand.

2. Increased level of education and employability of rural youth: Villagers realized their children education is the first priority. Most of the rural youth especially teenagers are well aware of products due to their school education and media exposure. Significant progress on literacy levels – 90% of the villages have a primary school within a 1 km walk. Private school enrolment in rural India has enhanced by 5.5% points over past six years. The literacy rate has also gone up by 68.91% in rural India.

This enhanced the employability of rural youth they are not sitting idle in villages they are motivated to go to nearby towns to find the jobs.

3. Huge in Size: Indian rural market is huge in size because rural population accounts for almost 70% of Indian population as the recent Census 2011, 833 million live in rural India, 33% of rural population includes youth, number of households increased from 25 to 33 crore. The rural market is currently worth approximately USD\$ 10 billion in consumer spending in the FMCG market annually. Food categories are currently driving the bulk of the additional USD\$ 90 billion into the marketplace by 2025.

4. Increased purchasing power: Rural purchasing power has grown faster than urban in the recent years. Rural Indian economy is highly supported by increasing disposable income, Government initiatives and schemes and favorable demographics. As a result, the rural segment of the Indian economy is growing at a pace of 8-10% per annum. Government spending in rural India has tripled over the last four years and is now translating into higher consumer spending. Therefore, rural consumers are consuming more premium and convenience oriented categories that are typical of their urban counterparts. Policy measures like the waiver of agricultural loans around US\$ 13.9 billion and the National Rural Employment Guarantee Scheme, which guarantees 100 days of employment to every one.

The Rural youth will look for a piece of "premium" at an affordable price but the products must not appear "cheap". The classic example is TATA Nano Car; one reason Tata-Nano hasn't taken-off is because it was seen as a cheap car. It indicates that rural consumers seeking a premium, in the sense that they are seeking an upgrade and not value for money. Value has to fall into place but it is one of the drivers, not the only driver. Brands, in the rural space, need to add a bit of imagery to themselves. Those consumers are reaching out to brands that are giving them that sense of premium. Rural India is seeking a sense of moving up in life, a sense of pride. If brand managers believe that rural consumers will buy everything / anything cheap it is absolutely wrong.

6. Migration of Rural youth: Rural youth come to cities in search of better jobs. When they travel back home, they carry with them stories of urban lifestyles. Awareness is thus created in the potential markets. Increased contact of rural people with their urban counterparts due to development of transport and wide communication network has influence on rural consumers' life style.

Challenges and Strategies in Rural Market:

Delivering to the rural markets is a real challenge to many marketers. In fact, the whole dynamics of rural markets are so unique that one has to look at beyond traditional marketing mix with advanced mix containing the 4A's instead of the traditional 4P's of marketing: *Acceptability* – develop what the consumer wants, *Affordability* – Make an affordable product, *Availability* – product made available at villages and *Awareness* - Don't promote the brand, demonstrate the product. Most of the marketers look at rural market as an extension of existing urban market hence they simply dump their existing product which is outdated in urban market into rural market. Hence marketers fail to penetrate into rural market in big way. Though rural consumers attracted towards urban life styles their dynamics are differ from urban consumers. Similarly rural marketing

Strategies are also significantly different from the marketing strategies aimed at an urban consumer.

1. Communicating with heterogeneous rural market: Every 20 kms of distance India is different. Different in terms of Language, lifestyle, culture, food habits, dressing and needs and wants and so on. Therefore, communication strategies must be more specific to the language and local culture. Mass media may serve the purpose of achieving awareness and interest but for creating conviction the consumer must have face-to-face

Communication medium. Client and Location specific promotion strategy based on the location and the client and co-operative promotion strategy, participation between the marketing agencies and the client are more relevant in rural market.

2. Lack of Infrastructure facilities: Infrastructure continues to be a challenge in rural India. There are many villages without access to continuous electricity, water, health and education and so on. Due to this problem reaching the remote village consumers is much difficult. Nearly 50% the villages in the country do not have proper roads. Physical communication to these villages is highly expensive. But instead of using traditional supply chains, many companies are distributing through rural self-help groups and micro lenders that are already plugged into villages.

3. Selection of sales force: The salesman in rural markets should be selected from the educated unemployed villagers, trained well and appointed as salesmen. The town-to-villages shuttling salesmen are to be replaced by stationary salesman in villages.

4. 'Foot in the door' strategy is the most popular marketing approach used for selling products like cell phone and motorcycle to rural segment.

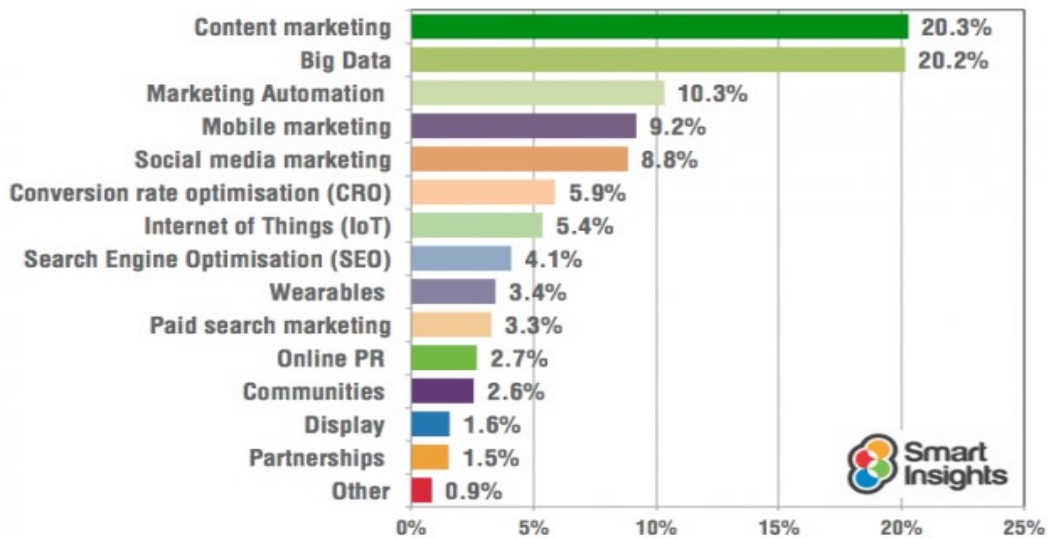
5. 'Bundling of inputs' denote a marketing strategy, in which several related items are sold to the target client, including arrangements of credit, after-sale service, and extension Services such as providing the required know-how and so on.

6. Developmental marketing refer to taking up marketing programmes keeping the development objective in mind and using various managerial and other inputs of marketing to achieve these objectives.

7. Unique Selling Propositions (USP) involves presenting a theme with the product to attract the client to buy that particular product, the classic example, "Thanda matlab Coco cola". In urban India, it is a question of reach. But in rural India, it is about reach and preach". "You have to tell them what a cold drink is, how it is opened, how [to drink it] in a macho manner by holding your head up – you cannot take it for granted."

CHANGING TRENDS OF DIGITAL MARKETING:

Top-rated digital marketing techniques 2017



5 Underlying digital marketing trends



1
Purchase funnel has been blown to bits

Customers have moved from a discrete linear purchase path to moving at their pace when and wherever they want to.



2
CRM is dead

It's the customer who manages the relationship.



3
The Rise of big data

Collect it intelligently to move customers along their path.



4
The Rise of big content

According to Gartner surveys, content is the most important thing marketers can do and yet they're unequipped to take it on from a skills and sourcing level.



5
The Experience Economy

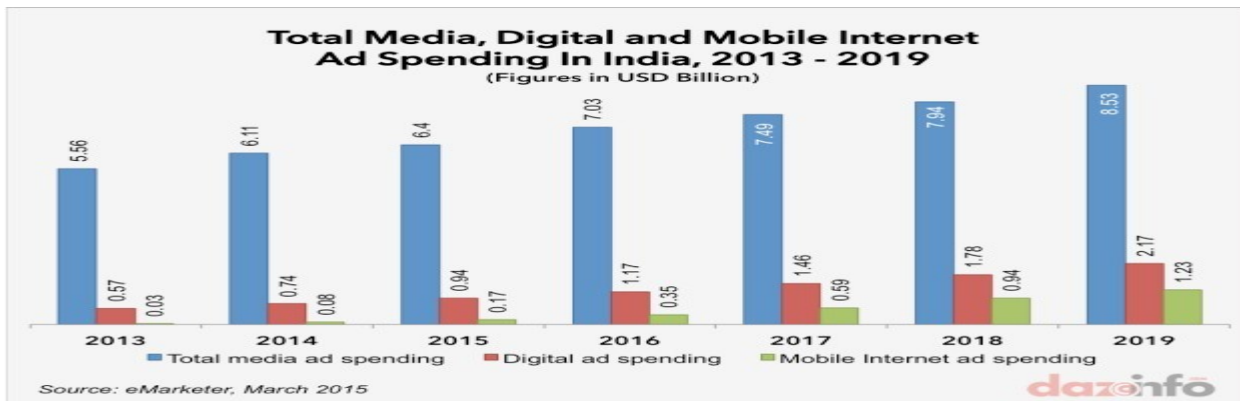
Think less in terms of discrete steps for a standard campaign and instead think of every interaction over time as the experience.

gartner.com/SmarterWithGartner

Source: Top Emerging Trends in Digital Marketing, Gartner Digital Marketing Conference
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Gartner.

FOLLOWING IS THE STATISTICS OF YEAR 2016 AND 2017:



FUTURE OF RURAL MARKETING AS WELL AS DIGITAL MARKETING IN INDIA:

Day by day growing Digital Market in India is an evident that the Digitization is taking place with a high speed. E-commerce website are providing all the goods and services through online portals online today. The increasing number of ecommerce websites. WARC Survey shows that 35% of advertisers would increase their mobile advertising spend by 50% or more by 2020 in India. 114 | P a g e

According to the GroupM report, consumer product makers will remain the most dominant sector in terms of ad spending with a 28% share of the total expenditure. Many advertisers will increase their ad spending to spur demand, helped by the buffer provided by low commodity prices, which have reduced their input costs. Thus, all reports and surveys conducted around the globe are showing that the digital marketing will grow more in coming years. Youth of India is very much technology friendly . By 2017, mobile devices are expected to reach around 3 billion units worldwide. So as more people use smart phones, tablets and other mobile devices, the potential of mobile market continues to grow.

Delivering to the rural markets is a real challenge to many marketers. In fact, the whole dynamics of rural markets are so unique that one has to look at beyond traditional marketing mix with advanced mix containing the 4A's instead of the traditional 4P's of marketing: *Acceptability* – develop what the consumer wants, *Affordability* – Make an affordable product, *Availability* – product made available at villages and *Awareness* - Don't promote the brand, demonstrate the product. Most of the marketers look at rural market as an extension of existing urban market hence they simply dump their existing product which is outdated in urban market into rural market. Hence marketers fail to penetrate into rural market in big way. Though rural consumers attracted towards urban life styles their dynamics are differ from urban consumers. Similarly rural marketing strategies are also significantly different from the marketing strategies aimed at an urban consumer.

CONCLUSION:

India's rural market could have been stronger than the present position, if Indian policymakers have made adequate infrastructure for rural India. Unless the proper infrastructure developed in rural market with sufficient power, water, communication etc at a nominal cost, this demand may not be sustainable for long. The corporate people should think beyond their products and initiate innovative corporate efforts to replace government intervention for providing basic facilities, for example ITC's e-Choupals, to capture the rural market and stay long over there. Corporate sector needs to realize that to be successful in the rural market, they must go in with clear long term strategy. Marketer must have willingness to invest in rural market with equal importance as they give urban market. Short term promotional efforts may not deliver the desired results in the rural market.

Digital marketing such as search engine optimization (SEO), search engine marketing (SEM), content marketing, influencer marketing, content automation, e-commerce marketing, campaign marketing, and social media marketing, social media optimization, e-mail direct marketing, display advertising, e-books, optical disks and games, are becoming more and more common in our advancing technology. Today we all are connected through what's app and facebook and the increasing use of social media is creating new opportunities for digital marketers to attract the customers through digital platform. Digital marketing is cost effective and having a great commercial impact on the business.

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Innovative Banking Change is Imminent in Banking

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Abstract

In recent years, technology has become increasingly important to the evolution of bank retail delivery systems and the development of new electronic retail products. The ability to deliver new advanced technology products reliably has become a central theme in the marketing strategies of a growing number of banks. Most institutions see introducing new products and services, banking as a necessary step for retaining highly valued customers, and for positioning themselves strategically for the future. As this trend continues, the nature and magnitude of risks posed by technology will continue to change, and these changes will pose significant challenges for banks and banking supervisors.

While much attention has centered on the shifts away from paper-based payment media, the development and adoption of processes that broaden the scope of information transferred electronically in the course of a payment transaction will likely have a greater long-term impact on electronic commerce and banking. The response of banks to these technological developments and the challenges arising for bank management are increasing immensely. Banks are substantially increasing their investments in technology and banks are feeling strong competitive pressures to avoid being left behind in the technology area. This sense of urgency could lead to heightened technology-related risk exposures for banks if they fail to implement appropriate technology risk management practices.

Keywords

Changes, Innovation, Innovative Banking, Products & Services, Electronic Systems, Technology Trends

INTRODUCTION

The term 'Innovation' means 'to make something new'. Banks have no longer restricted themselves to traditional banking activities, but explored newer avenues to increase business and capture new market.

INDIAN BANKING SECTOR

- From the time of Bank of Bengal (1806), qualitative and quantitative changes took place
- With 1935 regulation, the RBI was proclaimed the central bank of India
- In the 1990s, greater emphasis being placed on technology and innovation
- New concept like personal banking, retail banking, total branch automation, etc were introduced

INNOVATIONS IN INDIAN BANKING SECTOR

- Category I: Types of Innovative Banking
- Category II: Types of Product & Services
- Category III: Electronic Systems

TYPES OF INNOVATIVE BANKING

1. E-BANKING

Enables people to carry out most of their banking transaction using a safe website which is operated by their respected bank

Advantages

- ✓ Faster & more convenient transaction
- ✓ No longer required waiting in long queues
- ✓ Opening of account simple & easy
- ✓ Apply for bank loan
- ✓ Cost effective for banker side
- ✓ Fund transfer become faster & convenient
- ✓ Stock trading, exchanging bonds & other investment

2. CORE BANKING

- ✓ Depositing and lending of money
- ✓ Core banking solution
- ✓ Knowing customers' needs

3. CORPORATE BANKING

Financial services to large corporate & MNCs

Services:

- ✓ Overdraft facility
- ✓ Domestic and international payments
- ✓ Funding
- ✓ Channel financing
- ✓ Letters of guarantee
- ✓ Working capital facility for domestic & international trade

4. INVESTMENT BANKING

- ✓ Creating funds and wealth of clients
- ✓ Fund creating in two ways:
- ✓ Corporate Finance
- ✓ M & As
- ✓ Professional sales person providing advice on stock trading

5. RURAL BANKING

It provides & regulates credit services for the promotion & development of rural sector mainly agriculture, SSI, cottage and village industries, handicrafts and many more.

- ✓ Examples of Regional Rural Banks are

NABARD, HARYANASTATE COOPERATIVE APEX BANK LIMITED, SYNDICATE BANK, UNITED BANK OF INDIA

- ✓ KIOSK BANKING

6. NRI BANKING

This facility is designed for diverse banking requirements of the vast NRI population spread across the globe.

- ✓ NRE (Non Resident External Account)
- ✓ NRO (Non Resident Ordinary Account)
- ✓ FCNR (Foreign Currency Non Resident Account)

7. RETAIL BANKING

It refers to banking in which banks execute transaction directly with individual, rather than corporate banks. It is also known as 'One stop shop'.

Services:

- ✓ Saving and checking accounts
- ✓ Mortgage
- ✓ Housing Finance
- ✓ Auto Finance
- ✓ Consumer Durable Loans
- ✓ Personal Loans
- ✓ Educational Loans
- ✓ Credit Cards

TYPES OF PRODUCTS & SERVICES**1. TOTAL BRANCH AUTOMATION**

- ✓ Speed up bank transactions and less error
- ✓ More customer friendly and flexible
- ✓ Towards paperless transactions

2. ANY BRANCH BANKING

It is a facility for customers to operate their account from any of the same banks network branch.

Facilities available:

- ✓ Cash withdrawal & Cash deposits
- ✓ Account statement
- ✓ Facility to issue multi-city cheques
- ✓ Fund transfer
- ✓ Balance enquiry
- ✓ Purchase of demand drafts pay order
- ✓ Repayment of loan account

3. DEMAT SERVICES

- ✓ It offers secure and convenient way to keep track your securities and investment over a period of time without the hassle of handling physical documents
- ✓ It provide facility of online trading

4. MICRO FINANCE

It refers to a movement that envisions a world in which low income house holds have permanent access to arrange of high quality financial service to finance their income producing activities, build assets, stabilize consumption and protect against risks.

5. PLASTIC MONEY

- ✓ Plastic money are the alternative to the cash or standard money
- ✓ Convenient to carry
- ✓ Generic term for all types of bank cards, debit cards, credit cards, smart cards

6. MOBILE BANKING

- ✓ The account that can travel with you
- ✓ Facility one can bank from anywhere, at any time, & in any condition or any how

Facilities are:

- ✓ Balance enquiry
- ✓ Fund transfer
- ✓ Cheque book request, etc

TYPE OF ELECTRONIC SYSTEMS

1. ATM

- ✓ It stands for Automatic teller machine-
- ✓ In simple words, it is simple to use self service solution
- ✓ Value added services like recharge their mobile, pay the utility bills, mutual fund transactions, etc

2. RTGS

- ✓ It stands for Real time gross settlement system
- ✓ It is a fund transfer mechanism where transfer of money takes place from one bank to another on a real time and on gross basis.
- ✓ This is the fastest possible money transfer system through the banking channel.
- ✓ It is different from EFT and NEFT
- ✓ It is primarily for large volume transaction
- ✓ The time taken for effecting funds transfer from one account to another is normally 2 hours

3. FINACLE

This system provides the holistic and integrated transformation approach, complete with solutions and services. Finacle solutions addresses the requirements of retail, corporate and universal banking worldwide like

- ✓ Core banking solution
- ✓ E-banking solution
- ✓ Mobile banking solution
- ✓ Wealth management
- ✓ CRM requirements, etc

The Technology Trends That Transforms Banking

While most banks are burdened by legacy systems and processes, India has leapfrogged into the era of innovation in banking by adopting the latest in technology. Today's digital age and hyper-connected environment requires banks to re-imagine their business continuously, and Indian banks are leading the pack when it comes to transforming from digital to truly digital. There will be different kinds of trends for the Indian banking sector; there will be growth fueled by innovative initiatives such as Unified Payments Interface (UPI) and technology. The top picks for major technology trends that will reshape Indian banking are as follows:

1. **Open banking is the new normal:** Open banking—a connected ecosystem for financial and non-financial services with multiple underlying service providers—is the future of banking. The launch of UPI by the National Payments Corporation of India (NPCI) has thrown open the gates for innovation in the open banking space. UPI will empower payment service providers to create state-of-the-art products/offering without being limited by the underlying account relationships. Customers will be given the flexibility that they desire and a unified interoperable interface will allow all service providers to innovate for better customer experiences.

2. **Banking on the cloud first strategy:** Progressive banks are already making strides in cloud adoption. Disruptive technologies that are changing the face of business—Big Data, blockchain, artificial intelligence (AI), IoT—will be leveraged using cloud computing. Indian banks are coming around to the idea that the business agility provided by cloud outweighs the concerns. Business models for emerging banks and fintechs will also be largely driven by the cloud-first strategy. Demonetisation is pushing India towards a cashless society, and as banks prepare to deal with the increased influx of electronic transactions, cloud will provide banks with the required elasticity to meet these demands.
3. **Blockchain and the race to production:** As banks try to become more efficient and agile to meet the increasing demands of customers, blockchain will be one of the enablers for re-imagining processes. The banks will increasingly move some projects from pilot to production and leverage blockchain to automate inter-organisational processes. The recent [Emirates NBD and ICICI Bank partnership](#) to launch a blockchain pilot network for international remittances and trade finance is a precursor for advances in this technology.
4. **Artificial Intelligence—From sci-fi to reality:** Artificial intelligence (AI) has the potential to transform both front office and back office operations with its self-improving programs—at ICICI Bank, for example, [software robots](#) have been deployed in over 200 business process functions, reducing the response time to customers by up to 60%. AI has already proven itself in providing seamless differentiated customer experience on digital channels, and security measures with its integration within the banking infrastructure. Intelligent digital assistants are commonplace, and these self-learning programs keep getting better with every interaction. The banks will look to explore more proof of concepts to integrate conversational interfaces into their Omni channel strategy.
5. **More things to bank on:** The year 2016 was the year of mobile-first strategy. Indian banks leveraged the increasing adoption of mobile to provide customised offerings on their apps. However, digital technologies are evolving at an unprecedented rate, and so is customer adoption. To keep pace, banks would be required to provide services on a gamut of connected devices and wearable. Apps, while still widely used, are not the only channel for customer interaction. Today there are smart virtual personal assistants on mobile phones that can engage with customers in a more interactive manner. Progressive service providers are taking a lead in enabling their services on these new interfaces. In fact, such services are already enabled by innovative banks globally.
6. **Banking architecture simplification:** All of these overlying technologies will be built on the bedrock of banking architectural simplification. The banks will move to componentisation instead of the traditional monolithic architecture. In other words, complex architecture will be broken up into smaller bite-sized pieces for ease of deployment and upgrade for specific functionalities. Componentisation will not only increase agility to modernise selectively to keep pace with current technology trends, but also allow for risk-mitigation of projects. Banks will simplify architecture by implementing enterprise-class applications, which will be able to deliver capabilities required across business units and eliminate silos that currently exist.

With initiatives like demonetisation, the Indian government has made it clear that India will be yanked away from a cash-based economy. GST rollout will give further impetus to the Indian economy. The banks will not only have to keep up with the growing expectations of a billion connected customers, but they'll also have to make sure that they are leagues ahead of the emerging competition.

CONCLUSION

The banking sector in India has become stronger in terms of capital and the number of customers. It has become globally competitive and diverse aiming, at higher productivity and efficiency. Exposure to worldwide competition and deregulation in Indian financial sector has led to the emergence of better quality products and services. Reforms have changed the face of Indian banking and finance. The banking sector has improved manifolds in terms of Technology, Deregulation, Product & Services, Information Systems, Etc. With new opportunities unfolding Banking Sector, India is emerging as a global power in banking services in the next two decade."

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A Study On Analysis Of Mutual Funds In Indiabulls Limited Kphb, Hyderabad

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INTRODUCTION:

Mutual Funds: As you probably know, mutual funds have become extremely popular over the last 20 years. What was once just another obscure financial instrument is now a part of our daily lives. More than 80 million people, or one half of the households in America, invest in mutual funds. That means that, in the United States alone, trillions of dollars are invested in mutual funds. In fact, to many people, investing means buying mutual funds. After all, it's common knowledge that investing in mutual funds is (or at least should be) better than simply letting your cash waste away in a savings account, but, for most people, that's where the understanding of funds ends. It doesn't help that mutual fund salespeople speak a strange language that is interspersed with jargon that many investors don't understand. Originally, mutual funds were heralded as a way for the little guy to get a piece of the market. Instead of spending all your free time buried in the financial pages of the Wall Street Journal, all you had to do was buy a mutual fund and you'd be set on your way to financial freedom. As you might have guessed, it's not that easy. Mutual funds are an excellent idea in theory, but, in reality, they haven't always delivered. Not all mutual funds are created equal, and investing in mutual isn't as easy as throwing your money at the first salesperson who solicits your business. In this tutorial, we'll explain the basics of mutual funds and hopefully clear up some of the myths around them. You can then decide whether or not they are right for you.

MEANING OF MUTUAL FUND

A mutual fund is an institutional device through which investor pool funds of the savers to invest in diversified portfolio of securities, thus spread and reducing risk.

Thus, it is an investment vehicle through which large investors pool their funds under the direction of the investment manager thus with a triple benefit of steady return, capital appreciation and low risk.

The dictionary meaning of a mutual fund is —UNIT TRUSTII. They should be taken as trustees of funds left with them by the investors.

DEFINITION OF THE MUTUAL FUNDS

According to PALGRAVE'S dictionary of money and finance

—Mutual funds in United State of America are investment companies that invest pool of money in a host of investment options.

A mutual fund is defined as —Funds operated by an investment company that raises money from shares holders and invest in stocks, bonds, options, commodities or money market securities. II

Mutual fund is —A pooled investment vehicle whose securities are managed for a fee (Annual management fees) by a professional investment advisor.

SEBI 1996 Defined Mutual funds —A fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instruments

OBJECTIVES OF THE STUDY

The major objectives of the study are summarized below

- To study about the theoretical concepts about Mutual Funds.
- To Know the Mutual Fund Schemes available at INDIABULLS.
- To analyze the performance of select Mutual Fund Schemes of INDIABULLS.
- To compare the performance of INDIABULLS mutual fund according to Treynor, Sharpe, Jensen etc,
- To find out the best INDIABULLS mutual fund growth Schemes.

NEED FOR THE STUDY

- To show mutual fund is a productive for a lay-Investor with limited finance.
- To create an awareness that the mutual fund is a worthy investment practice.
- To project that through the study one would understand how common man could fruitfully convert a pittance into great penny by wisely investing into the right scheme according to his taking abilities.

- Comparison of various equity growth schemes under equity fund, to find which one is profitable.

SCOPE OF THE STUDY

- The study covers the objectives of findings out the mutual fund investment to words INDIABULLS of Hyderabad
- The study covers the Hyderabad reason
- The research made the during the period of 2014-2015
- The study mainly concentrates the NAV —s of the mutual funds.
- The study relating to the dividend & AUM of the mutual funds.

METHODOLOGY

- 1. Research Problems:** In this research work, the main purpose is to evaluate the performance of the INDIABULLS growth mutual fund schemes.
- 2. Research Design :** This study is analytical in nature. In analytical research, the research has to use facts or information already available and analyses these to make a critically evaluation of the study.
- 3. Source of the data :** The task of the data was collected by the research through,
 - Both primary and secondary source of data are to be analyzed.
 - Primary data is to be collected by conducting analytical research by direct communications with IFA's.
 - Secondary data are to be collected from reliance mutual fund, AMFI's. NSE (One year index return of S&P CNX Nifty and sensex)& journals. Search engines and other reliable source of information have been utilized by the researcher for the research programme.
- 4. Sampling design:** The sample are conveniently selected the growth of INDIABULLS mutual fund among its various fund, so in this research, convenience sampling design was used
- 5. Period of Study:**
The period of study conduct on this research is April.2014 to March.2015 to collect the data of one year of NAV of INDIABULLS mutual fund schemes.

6. Tools of the Study

There is some tools are there. That is

1. Treynor model
2. Sharpe model
3. Jensen performance model

1. TREYNOR MODEL

Jack Treynor evaluated this model which can be used to calculate the return per unit of the risk. This done by assuming that all investors' average to risk would like to maximize this value.

The $PM = (R_p - R_f) / \alpha$

R_p = Average return of fort folio.

R_f = Average return of risk free rate of investment.

α = A measure of systematic risk.

2. SHARPE MODEL:

William f sharp developed this model in 1996. It measures to the total risk not merely systematic risk a performance measures is calculated as follows

$St = (R_p - R_f) / \alpha p$

R_p = average return of fort folio.

R_f = average return of risk free rate of investment.

β = Standard deviation of rate of return.

3. JENSEN PERFORMANCE MODEL:

The absolute risk adjusted return measure loses developed by Michael and commonly known as Jenson's measures. It is mentioned as a measure of absolute performance because a defined definite standard is set and against that the performance is measured

$R_p = \alpha + \beta(R_m - R_f)$

R_p : average return of port folio.

R_f : average return of risk free rate of investment.

α : The intercept

β : Measure of systematic risk

R_m : Avg. market return.

4) BETA

$$\beta = \frac{N\sum XY - (\sum X)(\sum Y)}{n\sum X^2 - (\sum X)^2}$$

Assumptions:

1. The schemes that are more than 2 years old have been considered for evaluation.
2. Last one year NAV is taken to evaluate the performance of equity schemes..
3. Among growth and dividend schemes, only growth schemes have been taken so as to avoid repetition (as portfolio remains identical for both the options).
4. NSE Nifty and Sensex is taken as benchmark.

LIMITATIONS OF THE STUDY

The personal interview is done only after getting appointment from the respondent

- To analyze the study, the time duration is not quite enough.
- There was also no sufficient information to available from secondary source of data to conduct the research
- Only a small sample size is chosen for this research as there is insufficient time to conduct large research process
- Hence the research was done only in particular area, the information gathered may not be correct or sufficien

MUTUAL FUND COMPANIES IN INDIA

The concept of mutual funds in India dates back to the year 1963. The era between 1963 and 1987 marked the existence of only one mutual fund company in India with Rs. 67bn assets under management (AUM), by the end of its monopoly era, the Unit Trust of India (UTI). By the end of the 80s decade, few other mutual fund companies in India took their position in mutual fund market. The new entries of mutual fund companies in India were SBI Mutual Fund, Can bank Mutual Fund, Punjab National Bank Mutual Fund, Indian Bank Mutual Fund, Bank of India Mutual Fund.

The succeeding decade showed a new horizon in Indian mutual fund industry. By the end of 1993, the total AUM of the industry was Rs. 470.04 bn. The private sector funds started penetrating the fund families. In the same year the first Mutual Fund Regulations came into existence with re-registering all mutual funds except UTI. The regulations were further given a revised shape in 1996. Kothari Pioneer was the first private sector mutual fund company in India which has now merged with Franklin Templeton. Just after ten years with private sector players penetration, the total assets rose up to Rs. 1218.05 bn. Today there are 33 mutual fund companies in India

Major Mutual Fund Companies in India

1.ABN AMRO Mutual Fund: ABN AMRO Mutual Fund was setup on April 15, 2004 with ABN AMRO Trustee (India) Pvt. Ltd. as the Trustee Company. The AMC, ABN AMRO Asset Management (India) Ltd. was incorporated on November 4, 2003. Deutsche Bank A G is the custodian of ABN AMRO Mutual Fund.

2.Birla Sun Life Mutual Fund: Birla Sun Life Mutual Fund is the joint venture of Aditya Birla Group and Sun Life Financial. Sun Life Financial is a global organization evolved in 1871 and is being represented in Canada, the US, the Philippines, Japan, Indonesia and Bermuda apart from India. Birla Sun Life Mutual Fund follows a conservative long-term approach to investment. Recently it crossed AUM of Rs. 10,000 crores.

3.Bank of Baroda Mutual Fund (BOB Mutual Fund) : Bank of Baroda Mutual Fund or BOB Mutual Fund was setup on October 30, 1992 under the sponsorship of Bank of Baroda. BOB Asset Management Company Limited is the AMC of BOB Mutual Fund and was incorporated on November 5, 1992. Deutsche Bank AG is the custodian.

4. HDFC Mutual Fund: HDFC Mutual Fund was setup on June 30, 2000 with two sponsors namely Housing Development Finance Corporation Limited and Standard Life Investments Limited.

5. HSBC Mutual Fund : HSBC Mutual Fund Was setup on May 27, 2002 with HSBC Securities and Capital Markets (India) Private Limited as the sponsor? Board of Trustees, HSBC Mutual Fund acts as the Trustee Company of HSBC Mutual Fund.

6. ING Vysya Mutual Fund: ING Vysya Mutual Fund was setup on February 11, 1999 with the same named Trustee Company. It is a joint venture of Vysya and ING. The AMC, ING Investment Management (India) Pvt. Ltd. was incorporated on April 6, 1998.

7.Prudential ICICI Mutual Fund The mutual fund of ICICI is a joint venture with Prudential Plc. of America, one of the largest life insurance companies in the US of A. Prudential ICICI Mutual Fund was setup on 13th of October, 1993 with two sponsorers, Prudential Plc. and ICICI Ltd. The Trustee Company formed is Prudential ICICI Trust Ltd. and the AMC is Prudential ICICI Asset Management Company Limited incorporated on 22nd of June, 1993.

8. State Bank of India Mutual Fund : State Bank of India Mutual Fund is the first Bank sponsored Mutual Fund to launch offshore fund, the India Magnum Fund with a corpus of Rs. 225 cr. approximately. Today it is the largest Bank sponsored Mutual Fund in India. They have already launched 35 Schemes out of which 15 have already yielded handsome returns to investors. State Bank of India Mutual Fund has more than Rs. 5,500 Crores as AUM. Now it has an investor base of over 8 Lakhs spread over 18 schemes.

9. Tata Mutual Fund : Tata Mutual Fund (TMF) is a Trust under the Indian Trust Act, 1882. The sponsorers for Tata Mutual Fund are Tata Sons Ltd., and Tata Investment Corporation Ltd. The investment manager is Tata Asset Management Limited and its Tata Trustee Company Pvt. Limited. Tata Asset Management Limited's is one of the fastest in the country with more than Rs. 7,703 crores (as on April 30, 2005) of AUM. Kotak Mahindra Mutual Fund

10. Reliance Mutual Fund: Reliance Mutual Fund (RMF) was established as trust under Indian Trusts Act, 1882. The sponsor of RMF is Reliance Capital Limited and Reliance Capital Trustee Co. Limited is the Trustee. It was registered on June 30, 1995 as Reliance Capital Mutual Fund which was changed on March 11, 2004. Reliance Mutual Fund was formed for launching of various schemes under which units are issued to the Public with a view to contribute to the capital market and to provide investors the opportunities to make investments in diversified securities.

11. Alliance Capital Mutual Fund: Alliance Capital Mutual Fund was setup on December 30, 1994 with Alliance Capital Management Corp. of Delaware (USA) as sponsored. The Trustee is ACAM Trust Company Pvt. Ltd. and AMC, the Alliance Capital Asset Management India (Pvt) Ltd. with the corporate office in Mumbai

CONCLUSION

Worldwide, good mutual fund companies over are known by their AMCs and this fame is directly linked to their superior stock selection skills. For mutual funds to grow, AMCs must be held accountable for their selection of stocks. In other words, there must be some performance indicator that will reveal the quality of stock selection of various AMCs This project will be very helpful to those asset management companies to evaluate the performances of mutual fund and help them to diversify the portfolio in tandem with the market fluctuations

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A Study On Stress Management In It Industry

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INTRODUCTION TO STRESS

Many people think of stress as a simple problem. In reality however, stress is complex and often misunderstood. We all know that stress is the body's reaction to any demand on it. Perceptions of events, whether positive or negative, activate stress. It is, therefore, a highly individual affair. What is stressful to 'X' may not be so to another. But it is fairly easy to conclude that everyone lives under a certain amount of stress. In fact, the only people without stress are dead. At the same time it is certainly wrong to conclude that stress is always bad. Mild stress may improve the productivity. It may force people to focus more sharply on the problem and produce solutions. But if stress is severe and persists for long periods of time, it can be harmful. Stress can be disruptive to an individual as any accident.

Stress refers to the strain from the conflict between our external environment and us, leading to emotional and physical pressure. In our fast paced world, it is impossible to live without stress, whether you are a student or a working adult. There is both positive and negative stress, depending on each individual's unique perception of the tension between the two forces. Not all stress is bad. For example, positive stress, also known as eustress, can help an individual to function at optimal effectiveness and efficiency.

Hence, it is evident that some form of positive stress can add more color and vibrancy to our lives. The presence of a deadline, for example, can push us to make the most of our time and produce greater efficiency. It is important to keep this in mind, as stress management refers to using stress to our advantage, and not on eradicating the presence of stress in our lives.

On the other hand, negative stress can result in mental and physical strain. The individual will experience symptoms such as tensions, headaches, irritability and in extreme cases, heart palpitations. Hence, whilst some stress may be seen as a motivating force, it is important to manage stress levels so that it does not have an adverse impact on your health and relationships.

Part of managing your stress levels include learning about how stress can affect you emotionally and physically, as well as how to identify if you are performing at your optimal stress level (OSL) or if you are experiencing negative stress. This knowledge will help you to identify when you need to take a break, or perhaps seek professional help. It is also your first step towards developing techniques to managing your stress levels.

WHAT IS STRESS

Stress may be understood as a state of tension experienced by individuals facing extraordinary demands, constraints or opportunities

Stress Defined as

“Stress is an adaptive response to an external situation that results in physical, psychological and behavioral deviations for organizational participants.”

“Stress is a person's adaptive response to a stimulus that places excessive psychological or physical demands on that person”

REVIEW OF LITERATURE

Prof. Robbins

According to Prof. Robbins stress is a condition in which an individual is confronted with an opportunity, constrain or demand related to what he/she desires and for which the outcome is perceived to both uncertain and important. So, stress is associated with:

- Constraints or demand
- Uncertainty over the outcome which is regarded as important

Miller and Hester (1986)

Miller and Hester reviewed stress management training techniques and found they included such approaches as relaxation training, biofeedback and systematic desensitization (i.e., focusing on environmental factors to reduce anxiety). Miller (1992) also identified aerobic training as a stress management approach. Other approaches have included meditation, muscle relaxation and transcendental meditation.

Fletcher (1988)

It has been shown how the further down the skill level in the 'job chain' one looks the worse off the mental health of those groups becomes. Further it has also been shown how.... "Conditions of work most adverse to workers" health is to be found in blue collar professions and in some health care positions such as nursing. A common and possibly decisive denominator of these work conditions is that they expose the worker to a combination of high psychological stress and physical workload and a low level of decision latitude."

Brown Et Al (1990)

A recent study by Brown Et Al examined the relationship between stressful life events and drinking outcome among male alcoholics who had completed an alcohol treatment program. Approximately 40% of the pre-treatment stressors were found to be directly or indirectly related to alcohol use. Results showed that men who returned to drinking after treatment experienced more severe or highly threatening stress before their relapse than men who re

Spector & Connell (1994)

As an individual, the issues of 'Locus of Control'(LOC), whereby one may perceive oneself as a victim or an agent of control in one's own life(external or internal LOC), appears to be one of three key personality factors linked to how an individual reacts to stressful situation. The other two are: Negative Affectivity or the tendency to experience a variety of negative emotions across time and situations; and type A personalities who seem to be hyper- reaction to uncontrollable stressors and more reactive than type B.

OBJECTIVES**Primary objective:**

The main purpose of this research is to determine the important drivers of job stress and to analyze the effect of job stress on the performance of the IT people.

Secondary objective:

1. To identify the main reasons of stress among IT people.
2. To study the effect of stress on their performance
3. To find the methods of removing stress and the effectiveness of methods

METHODOLOGY**RESEARCH DESIGN**

The survey method is the basic research design. The structured questionnaire was administered to the respondents, which solicits information about their level of job stress.

SAMPLE SIZE

A survey of 5 IT companies people working in different organizations provided the database for this study. The sampling technique used was convenience sampling under this sample of respondents was chosen according to the convenience of the researcher

EVALUATION

After scoring the questions, the raw data are used to draw charts. These charts are further analyzed to draw inferences and deductions about the impact of job stress and to identify the main methods to remove stress.

Employee's opinion about how to reduce stress

- "Just smile away" An employee-Infosys
- "Just believe in your self and just do what your heart wants" An employee- Infosys
- -"Talking to family members, - Watching TV or listening good music, - Going for a walk or long drive" An employee- **Wipro**
- "Believe in God" An employee- **HCL**
- "Respect yourself and give time to yourself" An employee- **TCS**
- "Working in environment welfares, lot of positive attitude. Positive attitude is only that reduces stress and achieves success. Most of the people frustrate due to lack of positivity and stress level climbs up due to that. So get positive attitude about work, about life, and forget the stress" An employee- **TCS**
- "We should do such activities from which we get happiness and also make others happy. Pass your time with your close friends and relatives." An employee- **TCS**

- "Play and watch cricket" An employee- [HCL](#)
- "Listen music and spend time with family" An employee- [Wipro](#)
- "Get adjusted with others, Find and spend time for prayer, Study the scriptures, See oneness in all, All are manifested of the supreme GOD" An employee- [Capital IQ](#)

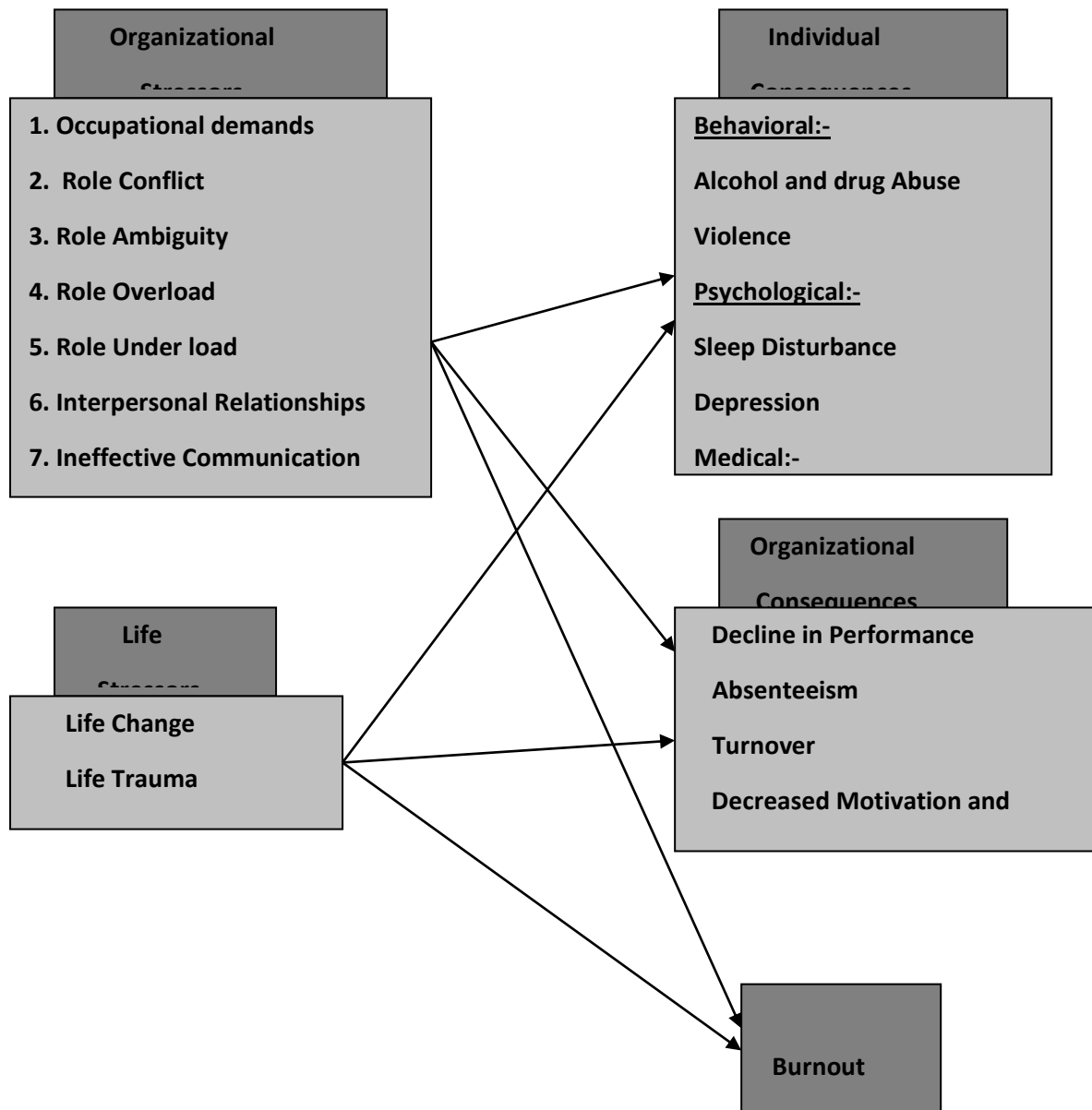
COMMON CAUSES OF STRESS

Stressors are the things that cause stress. It is important for an organization to understand and be able to recognize stressors because they cause job-related stress, which influence work attitude and behavior of employees. The major causes of stress are given below:-

1. Organizational Stressors
2. Personal Stressors

These two stressors are main causes of stress and these are also known as organizational factors and life factors. These also show three categories of stress consequences:-

- 1) Individual consequences
- 2) Organizational consequences
- 3) Burnout



This diagram shows the relation between Organizational stressor, Life stressor and between individual consequences, organizational consequences, and burnout.

HOW TO REDUCE THE STRESS

1. JOB ANALYSIS

Job Analysis is a useful technique for getting a firm grip on what really is important in your job so that you are able to perform excellently. It helps you to cut through clutter and distraction to get to the heart of what you need to do

2. RATIONAL & POSITIVE THINKING

You are thinking negatively when you fear the future, put yourself down, criticize yourself for errors, doubt your abilities, or expect failure. Negative thinking damages confidence, harms performance and paralyzes mental skills.

Unfortunately, negative thoughts tend to flit into our consciousness, do their damage and flit back out again, with their significance having barely been noticed. Since we barely realize that they were there, we do not challenge them properly, which means that they can be completely incorrect and wrong.

3. MEDITATION AND RELAXATION

Mind gets the needed relaxation when we engage in a creative hobby like painting, reading, gardening etc. the wonderful effect of prayers as a relaxation measure have been well documented in our ancient scriptures. Meditation also helps in putting our nagging thoughts to rest. Meditation is a way of focusing on something in a relaxed state in a serene and quite environment. You can focus on muscular relaxation, an image, an object, a symbol, a point or anything you like.

4. CLEAR CAREER PATHS

To reduce uncertainty, each employee must be sure of where he is heading for, say after 5 years within same organization. A clear career path and the job rewards and the benefits that follow committed service would go a long way in preventing or reducing stress level greatly

5. ROLE CLARITY

Define employee roles clearly. Employees must have a clear understanding of the job. They must know what the company expects and be confident that they can meet these expectations. Stress, most often, occurs when employees are not very sure about their work roles or fear they cannot do their jobs

CHALLENGES FACED BY THE IT SECTOR IN INDIA

- The IT sector of India needs to discard its old model of service providing and operations. The old model popularly known as the ADM (Application, Development and Maintenance) is obsolete. It is imperative that the IT sector resorts to the new model of 'outcome based billing' and fixed contract based services
- The maturity of the offshore models has created a demand among the customers for a close proximity of the service providers which may even involve setting up of near shore stations for support.
- There is a stiff competition from China, Philippines and Eastern Europe which are also proving to be low cost and competitive countries. It is estimated that by 2020 they will be a 20% stakeholder in the global IT export scenario
- A shrinking talent pool in our country is also largely affecting the IT sector. The number of employable graduates in the business sector is as low as 10% to 15% while that of qualified and employable engineers is 26% only.
- IT giants like IBM and Accenture have now opened up their own centers in India with the same target audience as that of the Indian IT Sector.
- The proposed development of the tier 2 and 3 cities has not gone as planned so the entire IT sector is stagnated in the 9 major cities.
- It is imperative that the IT sector of India should focus on the new emerging trends like Social media, Mobility, Analytics and Cloud (SMAC)
- There is a need for a total revamping of the infrastructure of the IT sector which unfortunately is pending due to fund unavailability. Fund shortage is also affecting the medium and small IT enterprises which need a basic financial injection for their start-up

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A Study On Work-Life Balance: An Emerging Need With Winning Strategy

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ABSTRACT

There is a growing consciousness in today's workplaces that employees do not give up their lives just for the reason that they work. Work and life remain the two most significant domains in the life of an employed person. Nevertheless, the challenge of balancing work and non-work demands is one of today's central apprehensions for both employees and organisations. With the increasing diversity of family structures characterized in today's workforce, particularly with the growing standards of dual-career families, the significance of managing an employee's work-life balance have increased over the past 20 years. Employers are realizing that the quality of an employee's personal and family life impacts work quality and that there are concrete business reasons to promote work and non-work integration as the work life balance provides the balanced relationship among work life and personal life. It had been realized that family life should not be strained by working hours, including business travel, transfers, vacations etc. Work life balance shows the direct relation with the job satisfaction and productivity in the organization. When an individual is thus employed in an organisation, he does not give up his life in exchange for work rather he attempts to maintain a balance between them.

This balance is necessary for a healthy life. For many employees, the day is not over when they go home. Often, a second day of work starts at home and for most working mothers, they come home to the second shift (assuming the inescapable role of a wife and a mother). The challenge of balancing work and family (non-work) demands is one of today's central concerns for both individuals and organisations. People who have better balance have a greater job satisfaction and perform better in their position. They have a bigger loyalty and a higher level of trust. In many of today's workplaces, employers are cutting cost mainly through lay-offs and are placing more demands on the lean staff left behind. The excuse is to stay afloat in the wake of a global economic recession. The implication however, is that the more time and energy employees give to work, the less they have to give to the other important aspects of their lives, thus creating a work-life balance problem with its attendant negative consequences for both the employee and the organisation. This paper serves as a base for understanding the actual nuances of work and work-life balance and sheds the light over its importance for both the employers and the employees. It focuses over the emerging needs for its effective and timely implementation. In this paper, the researcher contend that assisting employees to achieve a work-life balance should be a critical part of HR policy and strategy, if it is to truly get the best from the organisations people without leaving them unsatisfied, burnt-out and unfulfilled.

KEYWORDS: Work life Balance, job satisfaction, employee, organization.

INTRODUCTION

Life is like a game and an individual has to play with work, family, health, friends and spirit. Work is like a rubber ball. If dropped it will bounce back but the other four aspects family, health, friends and spirit are made of glass. Assuming one of these are dropped they will be irrevocably scuffed, marked, nicked, damaged, or even shattered. They will never be the same. Work-Life balance is about people having a measure of control over when, where and how they work. It is achieved when an individual's right to a fulfilled life inside and outside paid work is accepted and respected as the norm, to the mutual benefit of the individual, business and society. The fact that employees in huge buildings of prospering Indian firms take home huge pay every month, can paint a rosy picture of their lives in anyone's mind. However, when we take a closer look, we see another reality that is not so bright. In reality, the lives of these individuals are marked by pressures, hectic schedules, and extremely long hours at work which takes a toll on their health, and also relationships at home and social engagements. Therefore, one must understand the importance of both work & life and should strive to balance them.

Work-Life Balance-Meaning

Work-life balance is a broad concept including proper prioritizing between "work" (career and ambition) on one hand and "life" (Health, pleasure, leisure, family and spiritual development) on the other. Related, though broader, terms include "lifestyle balance" and "life balance". It is all about people feeling satisfied with the way they divide their time and energy between paid work and all the other things they need and want to do. It is a critical issue for people:

- With caring responsibilities, including for children, older people and partners with long-term illnesses or disabilities
- With responsibilities in their community, culture or church
- Studying
- With health issues or disabilities of their own
- Who want to stay fit and healthy
- Who are passionate about other interests or sports

LITERATURE REVIEW

- Burke (2002) observes that both women and men prefer working in organisations that support work-life balance. Men appeared to benefit more than women. Men feel more satisfied when they achieve more on the job even at the cost of ignoring the family. On the other hand, women stress that work and family are both equally important and both are the sources of their satisfaction. For them the former is more important. When work does not permit women to take care of their family, they feel unhappy, disappointed and frustrated. They draw tight boundaries between work and family and they do not like one crossing the others.
- Summer and Knight (2001), securely attached individuals experienced positive spill over in both work and family.
- Clark (2000) defines balance as "satisfaction and good functioning at work and at home with a minimum of role conflict".
- In the UK, Green (2001) among others has shown that intensification of work has reached a point where there is very little slack in the working day. Typical examples include the jobs of those working in call centers where incoming calls are placed in a queue and where there is a pre-determined response time and pattern. The annual CIPD surveys have identified that one of the areas where workers believe the organization is least likely to keep its promises concerns the demands on their time. In the same surveys, subjective reports of effort show, typically, that about 30 per cent say "I am working as hard as I can and could not imagine being able to work any harder". A further 45 per cent say "I am working very hard" and most of the rest say "I am working quite hard". Invariably, less than 5 per cent will admit to "not working particularly hard". In other words, people are feeling the pressure.

Work Life Balance- a Progressive Approach

Work-life balance that people demand today is not different from what people wanted yesterday. The only difference lies in the demands of the society, as society has changed from what it was yesterday to what it is today. Today the trend has moved towards single parent and dual-working parents with increased domestic responsibilities. It has become very critical for the organizations to attract and retain their best human capital in order to remain competitive. The best way to do so is to consider "what employees want?" Today the answer to this question is "work-life balance" which majority of the employees want without taking into consideration their age, gender, type of the job, race etc (Miller, 2006).

Businesses today are operating in an extreme competitive environment with an increased need to be more responsive and more efficient than their competitors. Additionally, employees today are pressurizing their employers for rewarding their employment with respect to their utilization of skills, rewarding their career and managing their lives outside the workplace. It compels the organizations to be more responsive and flexible for their workers. Organizations that are failing to consider these issues are facing the crucial problem of brain drain and are losing their professional experts (Dunne & Teg, 2007).

Joshi et al (2002) emphasized that work-life balance is a two dimensional approach i.e. organizational approach and individual approach. Work-life balance was traditionally defined in the framework of organization as what organizations do for the individuals (organizational approach). The second dimension (individual approach) emphasizes the fact that what individuals do for them. In line with Joshi et al (2002) Bird (2006) emphasized more on these two dimensional approach and named them as "The Two Legs of the Work-Life Strategy". He renamed the organizational approach as "system approach" (left leg) - how do organizations contribute to create better work-lives for their employees.

The individual approach (right leg) says that "how do the individuals themselves balance their work-lives". According to Bird (2006) if an organization has already implemented (employee assistance programs) EAP, flexible working hours, health insurance policies etc, it has already built a left leg. The major focus is then on the right leg the individual approach. Every employee has different work-life balance from every other employee with respect to their employment status e.g. a person who has a career start, will have a different work-life balance approach than the person who is being retired.

According to Bird (2006), CEO of work-life balance.com; work-life balance is all about achievement and enjoyment. The meaning of achievement is very well explored but enjoyment here means having satisfaction, pride and a feeling of well-being. He divided life in four quadrants as work, family, friends & community and self. He stressed that achievement and enjoyment should be felt in all of the four quadrants for a work-life balance.

Work Life Balance Issues- in relation to both Men and Women

Working men and women each have work-life balance issues. But how these issues play out often differs along gender lines. Men often act as though their jobs come first. Women typically put family first. Men sacrifice time at home for career advancement and more take-home pay. Women sacrifice career advancement and higher pay for time spent with family. Women feel guilty leaving work early to get home in time for dinner and men feel guilty about staying at work late and missing dinner. And occasionally rolls are reversed where women feel guilty about wanting to go to work and men feeling guilty about wanting to stay home. How can working couples possibly achieve work life balance when there are so many impediments to doing so? And what can couples do when they disagree about what their own roles and their spouse's roles should be in respect to raising children and earning a living? And what do couples do to meet their own needs for exercise, social interaction, alone time and having fun? And what about single and married people who have no kids? Shouldn't they be included in discussions of work-life balance too?

Need of the hour

Peter Ellwood, chairman of a unique U.K.-based advocacy group, believes that work life balance is more crucial at this point in time than ever before. Globalization, demographics, and societal changes have changed or forced business to transform the way they operate. Thus there emerges a need where the organization must frame an adequate policy for Work-Life Balance in consideration with the issues of both male and female employees. Strategies dealing with work-life balance are a valuable tool in this transformation. They offer a win-win situation, engaging employees on the basis that there is 'something in it for them' too, and humanizing the process of change.

Work-life Balance Options

As a step taken in the direction of attaining the mutual benefits for both the employees and the organization, employers had realized that the quality of an employee's personal and family life has a great impact over their work quality and thus there are concrete business reasons to promote work and non-work integration. As Vlems (2005) notes, when organisations decide to facilitate their employees' work-life balance, they choose from a wide array of options that include:

(a) Flexi-Time

Flexi-time is an arrangement in which organization gives its employees the autonomy of flexible working hours. Under this arrangement, there is a core period in a day which is mandatory for the employees to be present at and the rest is the flexi-time. Organization get benefited from flexi-time arrangements with increased morale of the staff, reduced stress among employees, increased retention of the staff, and more efficient productivity. The employees are also benefited from flexi-time arrangements as they have more control over their work, can adjust easily to all the activities (work and non-work), better utilize their free time, avoidance of congestion, without taking time-off employees, and life outside work issues (flexi time planner). At a financial service company, it was surveyed that employees who had option of flexi-time and who had control over their work were having less burnout

(B) Compressed working hours

This is a system of a four day working week. An employee can work his total number of agreed hours over a shorter period. For example, an employee can work his or her hours over four days in a week instead of five, and thus, gains a day for himself. Compressed workweeks are aimed at creating a more flexible system in which employees can assimilate their personal and professional lives and get time to work through the issues of pursuing education, eldercare, commuting, and childcare, etc.

(c) Job-sharing

Job-sharing is a system where two people share a job. They both have the same job, but split the hours, so that each employee has a part-time position. Apart from splitting the hours, they also split the payments, holidays and benefits. The idea is to afford employees ample time to attend to non-work activities so as to be able to achieve a good measure of work-life balance. A properly implemented job

sharing program can be a win-win situation for the company and the employees as employees will be more satisfied and a result of which will be more productive.

(d) Breaks from work

By taking breaks from work once in a while, the right balance between work and life can be achieved. These breaks should not only be about maternity, paternity and parental leave, but also time off for career breaks and sabbaticals.

(e) Self-roster

Employees can roster their hours the way they want to. The organisation checks every day the number of staff and skills required and lets the employees then decide which of hours they would like to work. Employees are thus able to schedule their time conveniently between work and non-work activities.

(f) Tele-working

Employees, with the aid of modern communication technology carry out their jobs without necessarily having to be at the office. Often, they can work from home or in satellite offices (telecentres) rented by the organisation close to where they live. Teleworking allows employees to attend to family or non-work issues so long as it does not affect their output or the quality.

(g) Child care

People with families do not have the luxury to stay at home anymore and take care of the children. The trend is towards dual-earning families as life has become too expensive to let a potential money-maker stay at home. Thus, the demand for child care options as a means of helping employees achieve work-life balance is becoming increasingly important (Vleems, 2005). Some popular child care options include Crèche, Day-nursery, After school child care, Teen care, Host parent care, and Leader-at-home.

Work Life Balance in selected Companies

1. IBM

Maintaining the essential work life balance has become a business imperative, and is mostly not very easy to achieve. That's where IBM's employee-friendly policies come into picture. Be it flexible work arrangements or child care services, the IBM recognize that these have a positive impact on employee productivity & retention, and therefore are looked upon as a business imperative. Complementing these policies are Well-being services, which spans several areas ranging from Influenza Vaccination to Emotional Well-being programs.

Not surprisingly IBM is well known in the industry for its work life balance, and for the nineteenth year in succession, has featured in the 'best companies' list of various magazines, including Working Mother.

2. Shell

Like many companies Shell gives flexi time and work from home benefits to its employees. Every year the company conducts Global People Survey which gauges the employee's perceptions on the company's status on how far the work life balance is achieved and what are the steps needed. Working overtime and on weekends is discouraged in Shell and one striking factor is that leaves cannot be encashed or carry forwarded. The HR executives in the company put focused efforts to frequently update the various work life balance programs.

3. CAMPBELL

Their approach to work/life balance illustrates a key aspect of the Campbell Promise – "Campbell Valuing People."

They understand the pressures and challenges facing employees when trying to balance work with personal interests and responsibilities. They also understand that their employees are better able to meet the demands of the business when their own personal needs are being met.

When it comes to work/life balance, a "one-size-fits-all" approach simply won't do. Their programs are designed to recognize that not all employees are the same and that employees' needs may change over time.

Depending on an employee's role and location, here is a sampling of the types of work/life programs and benefits that may be available:

- Flexible work arrangements (e.g., telecommuting, flex-time, job-share, reduced or compressed workweek)
- Summer hours – employees work extra time Monday-Thursday and head out early on Fridays
- On-site full-time childcare plus backup care, school's out and summer program.

- On-site seminars, fairs and workshops on such topics as stress, nutrition and safety
- Company store and cafeteria
- Credit Union with ATM
- On-site dry cleaning services
- Fitness facilities including personal training and group exercise classes, plus discount memberships on a network of commercial fitness centers
- Paid personal days, vacation days, holidays and sick days
- Tuition reimbursement

The consequences of employee work-life imbalance

There is compelling evidence that work-life imbalance portends grave consequences for employees, their organisations, and society (Allen, Herst, Bruck and Sutton, 2000; Lockwood, 2003; Vlams, 2004; Mordi and Ojo, 2011). Conflicts, particularly between work and family, significantly affect quality of family life and career attainment for both men and women. Personal and societal consequences of work-life imbalance, according to Hobson, Delunas and Kesic (2001) include:

- Increased level of stress and stress-related illness -
- Lower-life satisfaction
- Higher rates of family strife, violence, and divorce
- Rising incidence of substance abuse
- Growing problems with parenting and supervision of children and adolescents
- Escalating rates of juvenile delinquency and violence

The continuous inability of employees to balance work and life responsibilities according to Hobson, Delunas and Kesic (2001) can have the following organisational consequences:

- Higher rates of absenteeism and turnover
- Reduced productivity
- Decreased job satisfaction
- Lower levels of organisational commitment and loyalty
- Rising healthcare cost.

Reasons of Imbalance

There are various reasons for this imbalance and conflicts in the life of an employee. From individual career ambitions to pressure to cope up with family or work, the reasons can be situation and individual specific. The speed of advancement of information technology, the increasing competition in the talent supply market has led to a "performance-driven" culture creating pressures and expectations to perform more and better every time. Also, many a times, many people find it difficult to say "NO" to others especially their superiors. They usually end up over burdening themselves with work. The increasing responsibilities on the personal front with age can also create stress on personal and professional fronts.

Solutions

Many experts have given different solutions to this problem:

Time management is one of the best solutions which can help to reduce the imbalance between the personal and the work life of the employees.

Prioritizing the tasks and planning the activities can help to take out some free time which can be utilized for other purposes.

- Taking some time out for hobbies and leisure activities, spending time with loved ones can help to beat the stress.
- Learn to say "no" if required.
- Sharing the responsibilities will help and don't commit for something which is practically impossible.
- Utilizing the flexible working hours option of the organisations to get some free time.

The benefits of work-life balance

Positive work-life outcomes for employees are key ingredients of a successful business strategy (Lowe, 2006). Work-life balance is an ongoing quest for the individual employee, but this should now also become a concern for the employers because of the double-throng benefits of employee work-life balance. Where the right balance is found and sustained, both the employee and the employer gains.

Benefits for the employee

Many factors improve where the employee is able to find the right balance. Some of these factors, according to Vlems (2005) include:

- Improved employees' happiness. Employees would be happier when they are able to balance their work and life demands. The advantages of many organisations come from happy employees.
- Improved relations with management. Perceived support of management towards employees' work-life balance fosters a good relationship between the workforce and management which itself improves effective communication within the company.
- Improved employees' self-esteem, health, concentration, and confidence. One UK study reports that more than forty percent of employees are neglecting other aspects of their life because of work, which may increase their vulnerability to mental health problems (Mental Health Foundation, 2012).
- Employee loyalty and commitment. These increase with opportunities for work-life balance. Employees are more likely to stay with an organisation when there are opportunities for achieving work-life balance.
- Tasks are managed better, there is increased motivation, and there is reduction in the level of stress among employees.

Benefits for the employer

Generally, the following factors, as Vlems (2005) notes, improve for the employer:

- Maximised available labour. The workforce will be very motivated and so the employer can benefit from maximised available labour. Every employee will give their very best during the working hours.
- The balance makes employees feel valuable. Implementing work-life balance programmes gives an impression that the organisation cares about the employees. Thus, they will feel more valuable and work harder as a result.
- The work environment will be less stressful; which means, less stress related illnesses and decreased health care costs.
- The presence of work-life balance programmes in an organisation makes it attractive to a wider range of candidates when it comes to recruitment.
- The workforce will be more loyal and motivated, absenteeism will be reduced, and productivity will increase because of the maximised available labour.

Establishing effective work-life balance programmes: challenges and the critical role of HR

Work-life Balance programmes (WLBP) are those institutionalized and procedural arrangements, as well as formal and informal practices that make it easier for employees to manage the often conflicting worlds of work and non-work (Osterman, 1995). With the growing diversity of family structures represented in today's workforce, particularly with the growing norm of dual-career families, the importance of managing an employee's work-life balance have increased markedly over the past 20 years (De Bruin and Dupius, 2004) and it has thus become imperative that the human resource professional understands the interface between work and non-work relationships and the resulting impact in the workforce (Lockwood, 2003). The idea is to attempt to increase the flexibility by which employees can enact both their work and non-work roles without jeopardy. The adoption of work-life programmes and policies are being considered as a part of high commitment work systems' (Osterman, 1995) required for ensuring high levels of employee commitment and innovation.

The critical role of HR in establishing effective Work-life balance programmes

In order to establish a deep rooted and effective work-life balance programme, the role of HR becomes more critical. They must develop a deep understanding of people and their roles, so as to create a work environment that is friendly, motivating and productive. HR should champion an effective conceptualization of work-life balance that requires a holistic approach to human resource management, implying a greater awareness of the total context of worker's daily lives, and not just those hours they spend at work.

Firstly; before establishing work-life balance initiatives, HR must begin by appraising the culture of the organisation to ascertain if it is open and ready to support work-life balance programmes. This could be done with the help of formal employee survey assessment, aiming to bring out the peculiar work-life balance needs of different employees in the organization.

Secondly; establishing effective work-life balance programmes requires the support of senior management, managers, and supervisors. Senior management, managers and supervisors must be seen to support the achievement of effective work-life balance if there is to be an up-take of work-life

balance opportunities by employees. As an advocate of the employee, HR must obtain a commitment from senior management to make work-life balance initiatives work in their organisation.

Thirdly; HR must find means of effectively communicating available work-life balance programmes to all employees in the organisation. Communication about work-life balance is essential. Poor communication has been found to be a factor affecting the low usage of work-life balance programmes in many organisations. It is not enough for organisations to offer a rich menu of work-life balance benefits, the desired effect is unlikely to occur if the employees do not know about the programmes or understand them

CONCLUSION

Having burn-out and stressed employees are of no use to the organization and the key to make an organization successful lies in the satisfaction, commitment and deliberate involvement of the employees. For this purpose many companies have begun to introduce work-life balance programs in order to help the employees efficiently deal with their work professional and personal lives. Work/life programs have the potential to significantly improve employee morale, reduce absenteeism, and retain organizational knowledge, particularly during difficult economic times. In today's global marketplace, as companies aim to reduce costs, it falls to the human resource professional to understand the critical issues of work/life balance and champion work/life programs. Be it employees whose family members and/or friends are called to serve their country, single mothers who are trying to raise their children and make a living, Generation X and Y employees who value their personal time, couples struggling to manage dual-career marriages, or companies losing critical knowledge when employees leave for other opportunities, work/life programs offer a win-win situation for employers and employees.

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A Study On Employee Engagement: Producer's Cooperatives Perspectives

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This form of co-operative is most common in agriculture, where farmers often must group together to survive in an industry that is increasingly industrial and centralized. In many cases, producer cooperatives organized in multi-level structures called federations or second-level co-cooperatives; in some cases, these secondary structures have both individual farmers and other cooperatives as their members. These make possible a balance between local control and economies of scale needed to compete with big agribusiness.

Before cooperatives were organized, farmers were often trapped in a situation in which processors could dictate the prices paid for crops. This was especially true in dairy, where the product was too perishable to take to another processor, often miles away.

Producer cooperatives tend to have hundreds or thousands of members, so they operate in ways that resemble consumer co-ops: members elect a board to govern the co-op and appoint a HR manager, the HR manager hires the staff, and the staff serves the members.

Today's challenge for the HR managers is not only to create a highly motivated workforce which is both dedicated and involved with their work and organization but to sustain them to a point where they become 'engaged employee'.

According to The Gallup organization, engaged employees are those who 'work with passion and feel profound connection to their company. They drive innovation and move the organization forward.'

Associates define employee engagement as "the state in which individuals are emotionally and intellectually committed to the organization or group."

Employee engagement, therefore, pushes up the level of commitment, involvement and dedication that an employee has towards his/her organization. The concept of employee engagement overlaps with the concept of commitment and organizational citizenship behavior to a large extent but is different conceptually. The latter two concepts are uni-directional but engagement is a two-way concept—organizations work hard to engage their employees and the employees, in turn decide on the level of engagement they would offer their employers.

Why Do You Need Employee Engagement?

The answer is simple. You need employee engagement to serve as a core competency of your organization that would provide sustainable competitive advantage. In a recent research by **Hewitt Associates**, it was found that, companies who are better able to engage their employees are better equipped to deliver superior performance and returns to shareholders. It was found that employee engagement is a key driver of double-digit growth companies.

The Towers Perrin Talent Report, 2003 found significant relationship between employee engagement levels and financial performance of companies. They found that as engagement decreases employees tendency to leave organization and increases their orientation meet customer needs. It was found that the cost of production decreased as employees become more engaged in their work. It is shown in the following figure.

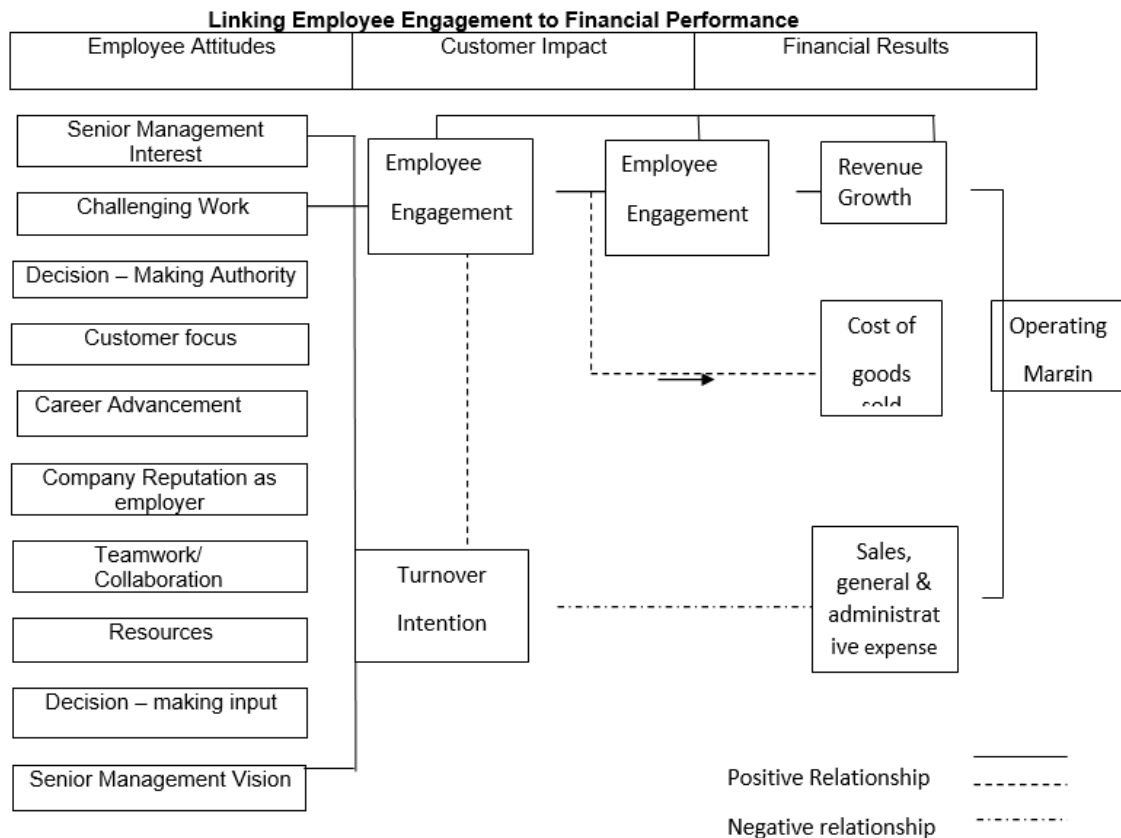
How Do You Know that Employees are "Engaged"?

There are several standardized test, toolkits and instruments available in the market that will help you to determine the level of employee engagement in organization. However, there are certain symptoms of employee behavior that are found in the organizations which have highly engaged employees. All or some of them may be found in every organization. It is important to understand that a small line of such behavior would mean that organization is already on the route of fostering employee engagement.

Let us see a few of those 'Symptoms'

1. Feeling of creative value: Employees should feel that they are influencing and shaping their own work environment. This is very different from employee empowerment. Empowered employees have

only the decision-making right and sometimes right to allocate resources. Engaged employees have one more thing- a sense of achievement emanating from adding value.



2. Having a direction to follow: Employees should have a very clear understanding about when, where and how to expend their effort. This in turn would mean that the top management of organization must have a clearly communicated strategy, and well-visioned leaders. If so, the organization is traveling well in the direction towards having engaged employee.

3. An air of trust: Very recently, one of the leading Indian Business Magazines conducted a survey on “Great Places to Work for in India” One of the most important observation was that, the companies rated as the best place to work for had a very high rating of trust from their employees that any other companies. Thus, the element of confidence, trust and cooperation in the organization will show that the employees are engaged.

It is not necessary that HR manager will find all of the above factors in the organization. Even if you HR manager find at least one, it would mean that the company has the potential to stand out as an outstanding and most preferred producer cooperative society. As a HR manager, your responsibility should be to ensure that your organization develops a culture of engagement and all the symptoms engaged shown up.

How to Develop Employee Engagement?

Creating engaged employees is not an easy task. It is the crux of HR management and plays a pivotal role in talent retention. Talent flight has become the worst nightmare for any HR manager. **It is every HR manager’s dream to get the best out of every employee-willingly and happily.**

1. Top management endorsement: Generally, organization’s culture is heavily determined by the way how its senior managers and leaders behave and execute work in the organization. In the similar way, creating engaged employees should be the agenda of the top management, worked out by senior HR leaders and not the other way round. Creating engaged employees would be parallel to creating a new people philosophy in the organization and it cannot be done without the active support of the top management team.

This is because it will not only require a change in the way how people are viewed in the organization but a change in a host of factors related to people such as compensation, promotion policies, and feedback mechanisms.

2. A work environment to cherish: All of your employees should be feeling happy every Monday morning to go their office. As an HR manager, can you ensure this happiness? Of course, there are certain ways through which you can do this. It is possible take certain initiatives, backed by the top

management, which would build a work environment that employees will cherish. Employees should be having a strong relationship with their manager. Employees should not only share a very close relationship with their bosses, but should also have a strong relationship with their co-workers.

3. Innovative leadership: To develop engaged employees, it is not enough to have good leaders in the organization. What is required is that these good leaders should do things in an unconventional way. Leaders can do this by building confidence in employee actions and results, above all, to provide innovative leadership, the leaders themselves must be engaged and passionately involved with the company.

4. Clear growth trajectories: The Company should take initiative to clearly communicate and chalk out opportunities for advancement and professional development. But with flatter organizational structures doing rounds these days, it is necessary to de-emphasize span of control and focus more on skill mastery, team leadership, and special assignments. The work content should become varied and challenging with every successful assignment. A different performance management program can be installed wherein it will help people set clear goals, assess their progress in the light of these goals, identify gaps in skill sets and identify long-term opportunities.

5. One step up from commitment: Developing engaged an employee is one step after creating committed employees. A sense of ownership, passion and pride would mark the characteristics of engaged employee. To bring the employees up to that level, it is necessary for the organization to actively involve the employees in the decision-making process. The employees should feel that their ideas and views are not only heard but are also valued and implemented.

CONCLUSION: There can be no last word on how to motivate and develop individuals. In the effort to develop engaged employees, it is very important to keep in mind that the organization should believe that its core competency lies in the knowledge, skills and abilities of its own people. No matter what, the competitors will never be able to match the quality and efficiency that employees bring to bear upon organization, if they are an engaged lot. Companies interested in developing engaged employees should first put in practice the philosophy that human resources provide to ensure that their employees are passionate and proud about their work and company. In all, a coordinated plan of employee engagement studies combined with suitable HR measures would be the preferred tool to develop employee engagement and for ensuring employee loyalty.

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Outsourcing In India – A Myth Of Employer Employee Relationship

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Outsourcing

The concept of outsourcing came from the American terminology “outside resourcing”, meaning to get resources from the outside. The term was used later in economics to signal the use of external sources to develop the business, which were typically using their internal resources¹. Today, outsourcing is a common practice in both public and private enterprises.

Earlier outsourcing was usually carried out for organization’s non-core activities to save money but now outsourcing is omnipresent. Firms are outsourcing a wide range of activities ranging from research and development to marketing, from production to assembly, distribution to after sales service. Today, even activities like security and public relations are outsourced. Organizations may expect to achieve many different benefits through successful outsourcing, although there are risks that may be realized if outsourcing is not successful.

Predominantly, there are two kind of outsourcing:

- 1) **With manpower** – where the service provider’s employees work inside the premises of the organization. For example, company X has outsourced its security department to company ABC, and then ABC’s employees operate at the location of company X.
- 2) **Without manpower** – the service provider’s employees do not work inside the organization premises. For example, if company X is an electronics company and has outsourced the after sales services of its products then the service provider’s employee’s work not at the parent organization’s location but provides services at the customer’s location.

Why Outsourcing?

- **Save Costs:** Reducing cost remains the top reason that organizations decide to outsource. As per various surveys, most of the companies cite costs as the top reason for outsourcing. Cost aspect of outsourcing involves various kinds of costs like fixed and variable. The lower costs are mainly due to specialization and economies of scale. At outsourcing, the fixed costs are translated to variable costs, which are totally dependent on the quantity of provided activities but there is an increase in transaction costs with the loss of control and the increased information asymmetry.
If we specifically look at outsourcing in terms of Labour, hiring contract Labour can result in cost savings over hiring full time employees. Because the workers are not full-time, companies save on costs associated with well-defined benefits and as governed by Labour Laws and Labour – union contracts like health insurance or pension plans.
 - **Better Quality:** Due to specialization being offered by the outsourced companies, there is a better quality and hence higher customer retention. The combination of creative programmes, informed and talented agents and timely execution can lead to dramatic increases in customer retention rates.
 - **Increased Effectiveness:** Companies by outsourcing non-core activities can focus their resources on the management of the core activities leading to enhanced organization effectiveness. The second most cited reason for outsourcing is to allow the organization to better focus on its core competencies. Because of intense competition, organizations are forced to reassess and redirect their scarce resources to the core competencies.
 - **Access to world class experts:** Outsourcing to specialized companies gives organization access to world class experts and the latest technologies for specialized projects and it may enable an organization to be a world-class performer for a whole suite of products and services where it could only be an average performer by itself.
 - **Increased flexibility:** Organizations operate in a dynamic and competitive environment and hence need to react quicker to customer requirements and outsourcing is seen as a vehicle to accomplish this. By outsourcing business functions to external service providers, the organizations don’t need to maintain fixed assets and invest on infrastructure. This gives the organization flexibility to meet changing business needs and respond to the dynamic environment. Also, there is a risk sharing with
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the suppliers and at the same time the organizations get access to suppliers' expertise. A kind of virtual organization is formed where the principal employer outsource its activities to multiple contractors that have a wide base of agents across the world enables a company to quickly scale up or down based on customer demand.

Laws related to outsourcing

Outsourcing, as already discussed, is of two types: Outsourcing with manpower, and outsourcing without manpower.

Outsourcing without manpower

When outsourcing is done without manpower, it is essentially a contract between two parties and only the Indian Contract Act, 1872 (hereinafter referred to as the ICA) becomes applicable. Both the parties are bound by the ICA and the terms of the contract are regulated by ICA only.

Outsourcing with manpower

Outsourcing with manpower is also essentially a contract between two parties and hence ICA becomes applicable. Once the contract is made the agency sends its employees to the premises of Company and agreed activities are carried on. Therefore the Contract Labour (Regulation and Abolition) Act, 1970 (hereinafter referred to as CLRA) also becomes applicable, provided that twenty or more workmen (in case of PSUs) are employed as Contract Labour in the establishment.

Categories of Employees

In the present scenario, employees can be broadly categorized into two categories, namely, *On-roll employee* and *Off-roll employee*.

On-Roll Employee

On-roll employees are the direct employees of an organization and are on the company's payroll. They usually avail most of the benefits and awards from the company. The On-roll employees can be further classified into the following:

- a) Regular/Permanent
- b) FTE (fixed Term Employees)
- c) PBE (Project Based Employees)

Off-roll Employee

Off-roll employees are the employees who are not in the direct payroll of the employer. They are the employees of a third party with whom the company gets into a contract for service. We mostly find off-role employees in outsourced services like housekeeping, security, maintenance, logistics, canteen,

Outsourcing: The Players involved

In cases of outsourcing with manpower, there are three players, vis-à-vis, Principal Employer, Contractor and Contract Labour. The outsourcing organization is the Principal Employer, the organization providing the service is the Contractor, while the employees of the Contractor working on the premises of the Principal Employer are the Contract Labour.

Even though the Contract Labour works in the premises of the Principal Employer, there is no employer-employee relationship between the two. The Principal Employer does not hire, fire, or control the Contract Labour. Neither is he directly responsible for their health, welfare and wages.

Also, there is no employer-employee relationship between the Principal Employer and the Contractor. The relationship between them is only contractual relationship.

The only employer-employee relationship that exists is between the contractor and the Contract Labour. However, the Contract Labour does not work in the premises of the contractor. Rather, he works far away from his actual employer and is mostly in the premises of the principle employer who does not owe any direct responsibility to the Contract Labour.

Given the situation, among the three players, it is the Contract Labour who may be exploited the most, both by the principal employer as well as the contractor. Therefore the CLRA Act, 1970 is enacted only to regulate the service conditions of Contract Labour.

In case of outsourcing without manpower, there are only two players and they are Principal Employer and Contractor and their relationship is only contractual.

The Contractor is responsible for the health, welfare and payment of wages of the Contract Labour. It is only when the contractor fails to meet those responsibilities; the Principal Employer comes to the picture and becomes liable. However, the Principal Employer, as per section 20 and 21 of CLRA, can recover the costs incurred for meeting such liability from the Contractor.

CLRA Act in a Nutshell

The object of the Act is to prevent exploitation of Contract Labour and also to introduce better conditions of work. Contract Labour is one of the several terms which are widely used to describe work arrangements which do not fall within the traditional understanding or definition of employment. Contract Labour is indirect employees and differs from direct Labour in terms of employment relationship with the establishment and method of wage payment. Different companies give different name to Contract Labour as off-roll employees, third party employee, agency employee, service providers' employees and many more. These terms are being used throughout the world but because of the variations in national law and practice, there is no internationally agreed definition of these terms.

The CLRA Act contains 35 provisions and is divided into seven chapters. The Central Act, as its preamble of the Act reads as follows:

An Act to regulate the employment of Contract Labour in certain establishments and to provide for its abolition in certain circumstances and for matters connected therewith.

Chapter I deal with Preliminary which runs only two sections. This Chapter provides its application and define different concept like Principal Employer, Contractor, Contract Labour, Establishment etc.

Chapter II deals with the Advisory Boards empowering the Appropriate Government to constitute the advisory boards to advise it with regard to matters arising out of the administration of the Act. The Chapter deals with the Central and State Advisory Boards and their composition.

Chapter III deals with registration of establishments employing Contract Labour.

Chapter IV deals with licensing of contractors. Chapter III and IV brings out a question that if the principal employer does not get certificate of registration under Section 7 and/or the contractor does not obtain a license under Section 12 of the Act, the establishment or the contractor can not engage the Contract Labour as the case may be. The consequence of non compliance of Section 7 or Section 12 would lead to an offence punishable under the Act. The Supreme Court in *Dena Nath v. National Fertilisers Ltd*² rightly observed that the only consequence where the principal employer or the contractor violates the provision of the Act is the penal provision and they would be guilty of criminal offence punishable under Section 23 or Section 24 of the Act.

Chapter V deals with the welfare and health of the Contract Labour. Section 20 casts a liability on the principal employer to provide the amenities for the benefit of Contract Labour employed in his establishment if the contractor fails to provide these amenities. Chapter VI provides for penalty for a person who contravenes any of the Act or the Rules. Chapter VII deals with the miscellaneous matters. The most powerful section of the Act is Section 10 which prohibits the employment of Contract Labour and reads as follows:

Section 10: Prohibition of employment of contract labour

(1) Notwithstanding anything contained in this Act, the appropriate Government may, after consultation with the Central Board or, as the case may be, a State Board, prohibit, by notification in the Official Gazette, employment of contract labour in any process, operation or other work in any establishment.

(2) Before issuing any notification under sub-section (1) in relation to an establishment, the appropriate Government shall have regard to the conditions of work and benefits provided for the Contract Labour in that establishment and other relevant factors, such as--

(a) Whether the process, operation or other work is incidental to, or necessary for the industry, trade, business, manufacture or occupation that is carried on in the establishment:

(b) whether it is of perennial nature, that is to say, it is of sufficient duration having regard to the nature of industry, trade, business, manufacture or occupation carried on in that establishment;

(c) Whether it is done ordinarily through regular workmen in that establishment or an establishment similar thereto;

(d) Whether it is sufficient to employ considerable number of whole-time workmen.

Explanation-- *If a question arises whether any process or operation or other work is of perennial nature, the decision of the appropriate government thereon shall be final.*

In view of the provisions in Section 10, it is only the appropriate government which has the authority to abolish the system of Contract Labour in accordance with the provisions of the said section.

Supreme Court in *Air India Statutory Corporation v. United Labour Union*³ held that on abolition or prohibition of Contract Labour under Section 10, the workers engaged through the contractor will automatically become the employees of the principal employer. *Steel Authority of India Ltd v. National Union, Waterfront Workers*⁴ overruled the Air India case prospectively on the abolition or prohibition of Contract Labour under Section 10. It adopted a literal construction of the statute basing that legislature means what they expressed. The Court observed that neither Section 10 nor any other provision in the Act, whether expressly or by necessary implication, provides for automatic absorption of Contract Labour on issuing notification by the appropriate government, under sub-section (1) of Section 10, prohibiting employment of Contract Labour. In *Steel Authority of India Ltd v. Union of India*⁵, popularly known as SAIL II case, the Supreme Court held that the abolition of Contract Labour is within the exclusive domain of the appropriate government.

Sham and Camouflage

As already discussed, even if there is an abolition of Contract Labour under Section 10 of CLRA, it does not result in automatic absorption of the Contract Labour as the employees of the principal employer. They are still not the employees of the principal employer. However, there is a scenario where Contract Labour would be declared as the employees of principle employer if the case falls within the ambit of sham & camouflage. The Supreme Court has categorically discussed the different situations when it can be considered as sham & camouflage. We can discuss the issue in detail in the light of some landmark Supreme Court Cases

SAIL 2001 (SAIL I) Case

The Constitution Bench of the Supreme Court had made it clear that neither Section 10 nor any other provision in CLRA provides for automatic absorption of Contract Labour on issuing a notification by the appropriate government under Section 10 of the CLRA and consequently the principal employer cannot be required to absorb Contract Labour working in the establishment

The Court further held that on a prohibition notification being issued under section 10(1) of CLRA, prohibiting employment of Contract Labour in any process, operation or other work, if an industrial dispute is raised by any Contract Labour in regard to conditions of service, the industrial adjudicator will have to consider whether the contractor has been interposed either on the ground of having undertaken to produce any given result for the establishment or for supply of Contract Labour for work of the establishment under a genuine contract or is a mere ruse to evade compliance with various beneficial legislations so as to deprive the workers of statutory benefits. If the contract is found to be sham, then the so called Contract Labour will have to be treated as direct employees of the principal employer and the industrial adjudicator should direct the principal employer to regularize their services in the establishment subject to such conditions as it may specify for that purpose.

On the other hand, if the contract is found to be genuine and at the same time there is a prohibition notification in respect of the establishment, the principal employer intending to employ regular workmen for the process, operation or other work of the establishment in regard to which the prohibition notification has been issued, it shall give preference to the erstwhile Contract Labour if otherwise found suitable, if necessary by giving relaxation of age.

However, the Supreme Court, in this case, did not deal specifically with the legal position regarding a dispute which is brought before the Industrial adjudicator regarding whether the Contract Labour agreement is sham, when there is no prohibition notification under Section 10 of the CLRA.

International Airport Authority Case:⁶

In this case, the Supreme Court further held that where there is no abolition of Contract Labour under Section 10 of the CLRA, but the Contract Labour contends that the contract between principal employer and the contractor is a sham and nominal, the remedy is purely under the Industrial Disputes Act. The industrial adjudicator can grant the relief sought if it finds that contract between the principal employer and the contractor is sham, nominal and merely a camouflage to deny employment benefits to the employees and that there is in fact a direct employment.

Gujarat Electricity Board Case:⁷

The principles laid down in this case still governs the issue related to sham and camouflage contract. It reiterates that where there is no abolition of Contract Labour under Section 10 of CLRA, but the Contract Labour contends that the contract between principal employer and the contractor is a sham, the remedy is purely under the Industrial Disputes Act.

The remedy of the workmen is to approach the industrial adjudicator for an adjudication of their dispute that they are the direct employees of the principal employer and the agreement is a sham, nominal and merely a camouflage to deny employment benefits to the employees and there is in fact a direct employment. The Supreme Court evolved the following tests which are only illustrative to know whether the contract made between the principal employer and contractor is sham & camouflage and they are as follows:

- a) Who pays the salary;
- b) Who has the power to remove/dismiss from service or initiate disciplinary action;
- c) Who can tell the employee the way in which the work should be done, in short who has direction and control over the employee.

It is submitted therefore that if any time the principal employer creates and intends to create the employer and employee relationship the Contract Labour would be declared as the employees of principal employer.

However, where it cannot be proved that the contract was a sham, and there is no notification under section 10 of the CLRA, then the question of directing the principal employer to absorb or regularize the services of the contract labour does not arise.

The tests that are applied to find out whether a person is an employee or an independent contractor may not automatically apply in finding out whether the contract labour agreement is a sham, nominal and is merely a camouflage. For example, if the contract is for supply of labour, necessarily the labour supplied by the contractor will work under the directions, supervision and control of the principal employer but that would not make the contract labour a direct employee of the principal employer, if the salary is paid by the contractor, if the right to regulate the employment is with the contractor, and the ultimate supervision and control lies with the contractor. The principal employer only controls and directs the work to be done by a contract labour, when such labour is assigned/allotted/sent to him. But it is the contractor as employer, who chooses whether the worker is to be assigned /allotted to the principal employer or used otherwise.

Employer-Employee Relationship— a concluding remark

It is interesting to note that the Contract Labour, who carries out the activities in the premises of the Principal Employer, is not the 'employees' of the Principal Employer. The Principal Employer does not hire, fire, supervise or control the Contract Labour. Neither he is directly responsible for their health, welfare and wages. As long as the contract between the principal employer and the contractor is not a sham or camouflage, no employer employee relationship exists between the principal employer and the contract labours. Thus, we can say that there is no direct relationship between Principal Employer and Contract Labour. Considering the law of the country in relation to "*outsourcing with manpower*" one can reach to the conclusion that Outsourcing in India – A myth of employer and employee relationship.

Issues And Challenges Of Micro, Small And Dium Enterprises; An Explanatory Study Of Indian Smes

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ABSTRACT

From the past two decades undoubtedly India has witnessed phenomenal economic development through industrialization. It is also Chrystal clear that this growth was fuelled by enormous growth of SMEs. By maintaining an appreciable growth rate and in generating employment opportunities, Micro, Small and Medium Enterprises has proved as the backbone of Indian economy. Indian economy this sector has been regarded as engine of economic growth and social development due to its contribution in terms of employment generation, containing regional disparities, fostering equitable economic growth and enhancing export potential. It also plays a key role for initiating effective, efficient, flexible and innovative entrepreneurial spirit. India has seen remarkable growth with regard to increase in number, quantum of investment, scale of production and overall contribution to national GDP due this sector. Despite its remarkable contribution in overall growth SMEs are struggling with many problems and challenges which still continue to afflict this sector. The aim of this paper is to highlight the performance of SMEs in current business scenario as well as to focus on various problems which creates hurdles in the path of progress of SMEs in India. The findings of this paper

Keyword: Challenges, Economic Growth, GDP, growth potential ,Micro, small & medium enterprises (MSME)

1.INTRODUCTION

Industrialization is the major source of economic development. In the post independence era India adopted mixed economic planning as a method to achieve economic development. From that moment along with the Large Scale sector SMEs became the centre of attraction due to their small size, indigenous technology, employment intensity and its suitability for rural area with limited techno-economic structure. Industrial policies are focused to promote SMEs through various incentives related to financial, fiscal and infrastructure measure; along with a heavy industrial base. As a result of which, in current business scenario Micro, small and medium enterprises (MSMEs) have demonstrated considerable strength and resilience in maintaining a consistent rate of growth and employment generation during the global recession and economic slowdown. During the recent years Indian economy has shown an appreciable growth performance by contributing to creation of livelihood opportunities to millions of people, in enhancing the export potential and in increasing the overall economic growth of the country. It plays a key role in the development of the economy with their effective, efficient, flexible and innovative entrepreneurial spirit. MSME sector has emerged as a dynamic and vibrant sector of the economy. As per the annual report 2010-11, Govt. of India, Ministry of Micro, Small and Medium Industries, it is expected that Indian economy will grow by over 8% per annum until 2020.(1) Christopher J. Green, Colin H. Kirkpatrick, and Victor Murinde, have opined in their paper that financial sector development policy might contribute to poverty reduction, particularly by supporting the growth of micro and small enterprises (MSEs) (2006:2). This paper highlights on the changing role of MSEs in the development process and the access of MSMEs to informal and formal finance, including the role of micro finance. The major advantage of this sector is its generating employment at low cost. As a catalyst for socio-economic transformation of the country, the MSME sector is extremely crucial in addressing the national objectives of bridging the rural-urban divide, reducing poverty and generating employment to the teeming millions. The MSME sector is highly heterogeneous by nature. There are different size of the enterprises, variety of products and services and level of technology. It helps in the industrialization of rural and backward areas. It also helps to reduce regional imbalances and provides equitable distribution of national income and wealth. Although MSMEs have a pivotal role and strategic importance in the context of industrial development and economic growth of the country, but still this sector experiences several constraints and challenges. Tarun and Thakur assessed that Indian SSI has to address various issues of technology up gradation, quality improvement in order to stay in competition with LSI. But SSI on account of shortage of capital

is forced to compromise on outdated machinery which hampers their productivity and quality of product(1986:19).

Export-Import Bank of India, has critically analyzed the present situation of MSMEs and support systems available in India as well as in the global context. It has suggested that MSMEs in India should have access to alternative sources of capital like angel funds/risk capital etc. and that existing laws should effectively address issues like insolvencies/bankruptcies; need to redefine the ceiling limits to encourage MSMEs to move up the value chain and need for cluster development approach to increase the level of competitiveness(2012:4). MSMEs can play an equitable role only if they run on sound lines. There is a great need for SME,s to the deficiencies and is well empowered to meet the emerging challenges for its sustainable growth and survival in a globally competitive order.

II. DEFINITION OF SMEs:

It is highly difficult to define small-scale industry as the definition of small-scale industry varies from country to country and from one time to another in the same country de-pending upon the pattern and stage of development, government policy and administrative set up of the particular country. In India, the enterprises have been classified broadly into manufacturing and those engaged in providing or rendering of services. These categories of enterprises have been further classified into micro, small and medium enterprises based on their investment in plant and machinery for manufacturing enterprises and on equipment for enterprises providing or rendering services (Development Commissioner of MSME, 2009). The limit for investment in plant and machinery for manufacturing / equipment for service enterprises before and after October 2, 2006 are mentioned in Table-1

Old definition (before October 2, 2006)

Sector	Micro enterprises	Small enterprises	Medium enterprises
Manufacturing	Up to Rs.25 lakhs	Above Rs. 25 lakhs to Rs. 1 crore	Not defined
Service	Up to Rs.10 lakhs	-	Not defined

New definition (from October 2, 2006)

Sector	Micro enterprises	Small enterprises	Medium enterprises
Manufacturing	Up to Rs. 25 Lakhs	Above Rs. 25 Lakhs but does not exceed Rs. 5 Crores	Above Rs.5 Crores but does not exceed Rs.10 Crores
Service	Up to Rs.10 Lakhs	Above Rs. 10 Lakhs rupees, but does not exceed Rs. 2 Crores	Above Rs. 2 Crores rupees but does not exceed Rs. 5 Crores rupees

Source: (Development Commissioner of MSME, 2009)

(Note: \$1= Rupees (Rs.) 50 as on April 2009, 1million = 10 lakhs, 100 lakhs = 1 crore)

III. METHODOLOGY OF THE STUDY

The paper is highly descriptive, exploratory as well as analytical by nature. The study involves a critical analysis of functioning of some micro, small and medium scale enterprises in the country both in manufacturing and service sector and intends The data are collected from both primary as well secondary source. Secondary data are mostly accessed from various Government policies/ programs including published Annual Reports, Journals, Books and available official websites. The primary data are based on analysis of structured questionnaire and interview of entrepreneurs, industry workers and other stake-holders. The explanation of the data is more qualitative than on quantitative terms. The objectives of the study are:

- To review the performance and growth status of SMEs in current business scenario.
- To review the growth of SMEs in comparison to other industrial sector.
- To find out the various problems and constraints faced by SMEs in India.

IV. GROWTH AND PERFORMANCE STATUS OF INDIAN SMEs:

Subramanyam and Reddy presented an overview of Micro, Small and Medium Enterprises (MSMEs) in India. The study analyzed the performance of MSMEs in India. It made a comparison of the growth of MSME sector with overall industrial sector and also investigated into the sickness of MSMEs. The study found that MSME sector has contributed significantly to India's Gross Domestic Product and export earnings(2012:17). According to Srinivas K T the performance of micro, small and medium enterprises, and their contribution in India's economic growth and concluded that MSMEs play a significant role in inclusive growth of Indian economy (2013:18). Kumar and Gugloth (2012) evaluated the performance of MSMEs before and after liberalization. The study also analyzed the impact of globalization on the performance of MSMEs and made a comparative analysis of the growth pattern of key parameters between pre and post globalization period. It took a period from 1999 to 2010 for the analysis. It also focused on the on-going changes in the business environment. The study found that the small scale sector has grown rapidly over the years. It also found that the period of liberalization and the development of MSMEs sector constituted an important segment of our economy(2012:8) The Office of the DC (MSME) provides estimates in respect of various performance parameters relating to the sector. The time series data in respect of the sector on various economic parameters is given in the following Table 2.

Table-2 Performance of MSME sector in India

Sl. No.	Year	Total Working Enterprises	Employment Generated (In Lakh)	Market Value of Fixed Assets (Rs. in crores)
1	2006-07	361.76	805.23	868,546.79
2	2007-08	377.36	842.00	920,459.84
3	2008-09	393.70	880.84	977,144.72
4	2009-10	410.80	921.79	1,038,546.08
5	2010-11	428.73	965.15	1,105,934.09
6	2011-12	447.64	1,011.69	1,182,757.64
7	2012-13	447.54	1,061.40	1,268,763.67
8	2013-14	488.46	1,114.29	1,363,700.54
9	2014-15	510.57	1,171.32	1,471,992.94

Source: Annual Report of MSME, Government of India, 2015-16.

The contribution of MSME sector towards GDP and total manufacturing output has been depicted in Table – 2. It is clear that the share of service sector MSMEs to the GDP has been increasing indicating robust growth and changing nature of economy.

**Table-3
Contribution of Manufacturing Output of MSME in GDP
(at 2004-05 Prices)**

Year	Gross Value of Output of MSME Manufacturing Sector (Rs. in Crores)	Share of MSME sector in total GDP (%)			Share of MSME output in total Manufacturing Output (%)
		Manufacturing Sector MSME	Service Sector MSME	Total	
2006-07	1198818	7.73	27.40	35.13	42.02
2007-08	1322777	7.81	27.60	35.41	41.98
2008-09	1375589	7.52	28.60	36.12	40.79

2009-10	1488352	7.45	28.60	36.05	39.63
2010-11	1653622	7.39	29.30	36.69	38.50
2011-12	1788584	7.27	30.70	37.97	37.47
2012-13	1809976	7.04	30.50	37.54	37.33

V. COMPAISON OF MSMEs SECTOR WITH THE OVERALL INDUSTRIAL SECTOR:

The MSME sector has maintained a higher rate of growth *vis-à-vis* the overall industrial sector. Comparative growth rates of production for both the sectors are given in the Table below.

TABLE 4: Comparative Data on Growth Rates of MSE Sector

Year	Growth rates of MSMEs Sector	Over all Industrial Sector
	[2001-02 base IIP (%age)]	Growth rates (%age) #
2004-05	10.88	8.4
2005-06	12.32	8
2006-07	12.6	11.9
2007-08	13.00*	8.7
2008-09	**	3.2
2009-10	**	10.5
2010-11	**	7.8

* : Projected, IIP – Index of Industrial Production.

: Source- M/o Statistics and PI website- <http://www.mospi.nic.in>

** : Due to revised definition of MSMEs Sector, methodological revisions are under progress

VI. ISSUES AND CHALLENGES OF INDIAN SMEs:

Despite numerous policy measures taken by the government during the past years, SMEs are facing many problems which still continue to afflict the sector. Several key issues remain to be addressed properly and measures yet to be taken in the interest of sustainable industrial development.

De, Sankar has viewed that SME's in India face many challenges, but perhaps none are as difficult as the challenge of financing, both short term and long term (2009:3). Nanda, Ramana & William R.Kerr have expressed the view that financing constraints are one of the biggest concerns impacting potential entrepreneurs around the world(2009:14).SIDBI, in their report, "addressed to ensure sustained growth of SSI sector to withstand emerging pressures which includes issues related to delayed payments, increase in the limit of turnover, exemption from excise duty to SSI units using third party brand name, building competitive strengths, technology up gradation, information dissemination and quality improvement(2001:16). IDBI, In its report ranked the various problems faced by enterprises in Andhra Pradesh, Kerala and Karnataka. The prime problems faced by the enterprises were unavailability of working capital followed by marketing and raw material problems. Delay in getting finance has also affected the productivity of these enterprises which has lead to escalation in cost of production (1997:7). K,Vasanth,Majumdar M., K. Krishna in their paper have stated that since several successful models of the sustainable SME are gradually evolving, networks of SMEs would become essential for addressing the systemic problems under lying the industrial ecology, enterprise resilience, and global supply chain sustainability(2012:10). According to Gyampah and Boye, Small firms usually face different types of environment pressures with regard to market competitiveness compared to larger firms on account of limited resources(2001: 5).

After deep literature review and study of various report following issues have been addressed by the researcher.

Table-5: ISSUES AND CHALLENGES OF INDIAN SMEs

s.no	Types of challenges	Description
1	Lack of Sufficient Financial Assistance	To receive timely and adequate finance at the agreeable conditions is highly essential for crucial and cumbersome exercise for both established and budding SMEs. According to the Indian government survey, due to insufficient source, 90%of the total Micro units in India procure funds from friends, lenders and private lenders only Complex collaterals instead by the banks, cumbersome sanction procedures and delay in disbursement and high rate of interest on term loans further worsen the situation which leads to industrial sickness.
2	Lack of adequate Infrastructural Facilities	Inadequate infrastructure and poor support facilities failed to access the basic facilities like water, power supply, road/rail connectivity etc. adversely affect this sector and contribute to enhance their operational cost which makes MSMEs less competitive in the challenging market situations
3	Poor Marketing Linkages	Poor marketing linkages due to inadequate Government support and patronage, lack of adequate marketing infrastructure/ network facilities creates greater challenge for marketing and sale of MSME products.
4	Lack of Skilled Human Resources	Lack of managerial competence, absence of proper training on resource planning and capital management for paying high remuneration and hiring expert etc leads to MSMEs to operate with unskilled or semi-skilled workers which hinder the growth of enterprises.
5	Lack of Access to New Technology	Due to lack of technical knowledge and high cost of advance technology, most of the SMEs today use low technology base which results in low productivity by making these enterprises uncompetitive in the ever-widening market contexts.
6	Pressure of Competition	The MSMEs face ruthless competition from the large domestic firms and multinationals armed with better financial capacity, improved technology, managerial ability, skilled workers, marketing skills, better product quality, and wide range of products, better training facilities, high remuneration, which makes them sick or difficult to sustain in the market.
7	Difficulties to access Foreign Markets	Lack of knowledge of foreign markets, business practices, competitions and lack of management to generate foreign sales narrow down the export opportunities which put hurdles in the path of revenue generation as well as global marketing opportunities.
8	Adverse effects of Economic Reforms and Globalization	Changes in economic reforms like delicensing and dereservations have had an adverse effect on the small-scale sector. Cheaper and better quality imported goods are posing a serious threat to small scale units operating in various industries like chemicals, silk, auto components, toys, sports goods, footwear etc. For example China price (which is a rock-

		bottom price) is forcing many small-scale units to close down
9	Withdrawal of Reservation Policy	Withdrawal of reservation policy allowed MNCs and large domestic firms to produce reserved items without any restrictions and increased the degree of competition for the small firms. Moreover many MSMEs do not produce the reserved items so they are forced to become sick industry or close down by the heavy completion pressure from large industry.
10	Entrepreneur's Mindset Problems	Many MSME entrepreneurs are not ready to change their mindset. They still expect protection policies and preferential treatment for the MSMEs. Workshops, success story based approach may help reduce this tendency in coming days.
11	Problems Related to Tariff Structure and Raw Material Availability	Small-scale industries remain high in comparison to tariffs on manufactured goods (other than consumer goods). This has created the problem of a significant inversion in tariff structure, which specifically hurts small firms since they are more labor using and have high material-to-output ratios. Small-scale industries that use local raw material also face a number of problems. Because of their dependency on local area most of the time they are exploited by the trader or supplier which creates obstacle on their growth.
12	Lack of IT Literacy	Many of the employees in SMEs are often holding supervisory and managerial positions. may not be IT literate and often have high resistance to the changes in the working process that they are comfortable with. This deficiency further create low technology base which is not good for firms long run development.
13	Lack of Experience of Using Consultants	The lack of knowledge in the field of IT makes SMEs difficult in identifying good consultant for the projects. In this situation without having skilled staff avoiding external help often costs more to the company eventually.
14	Machines and Equipment Problem	Due to lack of modernization and rationalization machinery and other equipment in many small industries have grown obsolescent. On account of this reason while their costs of production are high, the quality is inferior as compared to the large-scale units which may leads them to failure in market and turned them into sick industry.

VI. CONCLUSION:

There is no doubt MSMEs play a crucial role in the economic development of Indian economy. The overall performance and contribution of small SMEs to Indian economy in terms of its absolute growth in units, employment, production and exports is remarkable. This sector possesses enough potential and possibilities to accelerate industrial growth in India ready to support national programme like 'Make

in India'. But at the same time MSMEs sector faced many internal as well as external challenges like as lack of sufficient financial assistance and credit, unavailability of raw material, machinery, equipment, human resource, consultant at affordable cost, high completion from large scale sector, lack of skilled manpower and IT professional, changed and strict economic reforms etc. Despite the various challenges it has been facing, the MSME sector has shown admirable innovation, adaptability and Resilience to survive the recent economic downturn and recession. The small scale sector has grown rapidly over the years. If the government and the policy makers will give collective support, definitely India will experience a rewarding feature due to impressive growth of modern MSMEs.

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Water Risk And Corporate Social Responsibility

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ABSTRACT

The world economic forum highlighted water crises, four of the top ten risk interconnections in this year (2017), world economic forum global risks perception survey 2016 involves environmental risk, the most frequently cited of these being the pairing of “water crises” and failure of climate change mitigation and adoption”. This shows that ineffective management of the “global commons”- the oceans, atmosphere, and climate system -can have local as well as global consequences. Changing weather patterns or water crises can trigger or exacerbate geopolitical and social risks such as domestic or regional conflict and involuntary migration, particularly in geopolitically fragile areas. It has been argued- and laid down in many national legal systems. That access to interfere, with this human right? The main focus of the article is to explore the role of day’s companies in relation to fresh water. A number of have been developed to attend the necessity to reduce corporate use of fresh water. The article highlights corporate social responsibility in water use and analysis corporate water use disclosures.

Keywords: corporate water use, corporate social responsibility, corporate water use disclosures.

1. INTRODUCTION

The world economic forum highlighted water crises, four of the top ten risk interconnections in this year (2017), world economic forum global risks perception survey 2016 involves environmental risk, the most frequently cited of these being the pairing of “water crises” and failure of climate change mitigation and adoption”. In the past 50 years, India’s population has almost tripled, making it the second most populated country in the world, with over 1.2 billion people (Census of India, 2011). This rapid population growth coupled with mass industrialization, expanding agriculture and urbanization has resulted in an increase in competing demands for water resources. The country thus faces a looming water crisis where demand is set to outstrip supply by 50% by 2030 according to 2030 Water Resources Group. Businesses are increasingly recognizing that the real value of water is not adequately reflected in its cost, but resides in securing licenses to operate, business continuity and protecting brand value. Companies including Coca-Cola and Pepsi have both announced plans to invest \$5bn in India by 2020. However, India’s worsening water shortages and the highly-emotive politics over access to water – could pose additional problem to these companies’ ambitious growth plans. Coca-Cola has met fierce local resistance in India in the past. A decade ago, the company was forced to close a bottling plant in the southern state of Kerala, after activists accused it of depleting the local water table. Now, for the second time Coca-Cola has been forced to mothball a bottling line in India¹. For instance, in 2013, more businesses recognized water-related risks than ever before. Two thirds of the Global 500 respondents to carbon disclosure project water questionnaire reported exposure to water-related risks, of which 64% have the potential to impact business now or within the next 5 years. Companies commonly report three categories of water risks²: In India, the share of water consumption in thermal power plants amounts to approx. 87% of total Industrial water utilization³ and power companies are struggling to meet the water demand in their operations. In Maharashtra, the Parli thermal power plant with an installed capacity of 1130 MW was partially shut down in October 2012. Since February 2013, the plant has been completely shut down owing to water supply constraints. Similarly, Chandrapur Super Thermal Power Station was forced to shut down on 15 May 2007 due to an unprecedented scarcity of water⁴. A total of c6GW of coal-based generation capacity faced closure in 2011 and c1.5GW in 2012. The most severe black-out faced by the country in 2012 was attributed to water supply shortage⁵.

OBJECTIVES

- To understand water risk and water use in Indian industry.
- To find the adequacy of water risk management strategies.
- To analyze, corporate water use disclosures.

2. WATER RISK

70% of the earth surface is covered with water, which amounts to 1400 million cubic kilometres (m km³). However, 97.5% of this water being sea water, it is salty. Fresh water availability is only 35 m km³ and only 40% of this can be used by human beings. Out of the total fresh water, 68.7% is frozen in ice caps, 30% is stored underground and only 0.3% water is available on the surface of the earth. Out of the surface water, 87% is stored in lakes, 11% in swamp and 2% in rivers (Anon. 2006)⁶.

The water demand for the industrial sector is on a rise and will account for 8.5 and 10.1 percent of the total freshwater abstraction in 2025 and 2050 respectively. This is a 4 per cent rise from the current level of 6 per cent of the total freshwater abstraction by the industries in 2010⁷. Water use across various sectors in India is on the rise. Various estimates and projections indicate an increasing trend in water demand for agriculture, industrial and domestic uses in the coming decades. India is also projected to move into the category of water stressed nation by 2020⁷.

3. WATER AVAILABILITY AND USE

Availability plays a very important role in our social and economic development. India has 16 per cent of global population, but only has four per cent of the global water resources. Water scarcity has become a major concern, owing to the pressures exerted on the water sources; climatic changes would further intensify this crisis. Managing ever-increasing water demand from the rapidly rising numbers of users in multiple sectors is perhaps the single greatest development challenge the international community is facing in the 21st century. The major Indian sectors consuming water are industries, agriculture and the domestic sector. Out of the total water used in India, about 87 per cent is consumed by agriculture, eight per cent by industries and five per cent for domestic purposes. Although industries consume only eight per cent of water, they are the worst affected during water crisis as they are given the last preference by the National Water Policy. Apart from being a crucial raw material, water plays a significant role in generation of energy through various sources, the two primary factors for survival and growth of the industries. Therefore, the unavailability of water results in breakdown of production and is a major risk. Municipalities, on the contrary, are facing problems in meeting the demands of sprawling cities. Water supply, distribution and wastewater management are some of the most important issues faced by municipalities. The growing divide between cities and rural areas further pressurises the municipality to be self-sufficient. Issues like funding for the projects and cost recovery cause hurdles to development projects. Centralized systems of wastewater treatment that have been implemented by various public authorities, have failed to ensure equal distribution of water. In addition, a number of technical and social issues associated with large projects hamper their effectively. Decentralized systems of wastewater treatment seem promising in fulfilling the water demand in rural as well as urban areas. However, water management should not be restricted to water treatment, but should also focus on recycling of water. Water recycling is being practiced by various sectors in countries across the world, and to some extent in India, particularly in the industrial sector. However, we have to go a long way in the recycling and reuse of our municipal wastewaters. A number of policies and norms are being introduced by regulatory agencies to encourage water recycling. This article aims to address the issue of water recycling in domestic and industrial sectors.

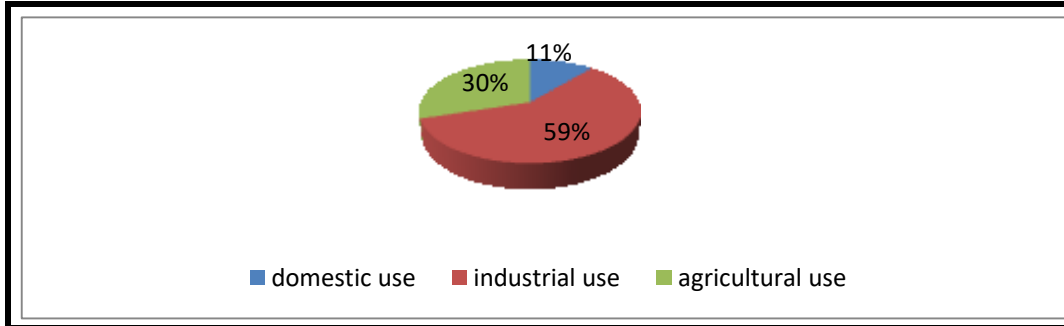
Status of India's Water Resources

India houses 16 per cent of the world's population, 2.5 per cent of the land mass and four per cent of the water resources. A number of areas are already affected by water crisis, including the most populated and economically productive parts of the country. Estimates reveal that by 2020, India's demand for water will exceed all sources of supply. At the same time, 70 per cent of India's irrigation needs and 80 per cent of its domestic water supplies come from groundwater—in the past, a successful practice — but that has lowered groundwater tables and depleted aquifers. It is no longer sustainable. The picture is further muddied by unclear rules governing the allocation of water rights of the country's interstate rivers, which drain around 90 per cent of India's territory. The water situation in India is worsening day by day. Rapidly exploding population, aspirational GDP growth, lack of technological knowledge and willingness are all responsible for this alarming situation. The dearth of water is due to two reasons; one being the limited availability of fresh water sources and the other being pollution of the existing sources, which further shrinks the sources available. Hence, India faces both quantities as well as quality issues pertaining to water. About 30 per cent of the population in India receives less than the

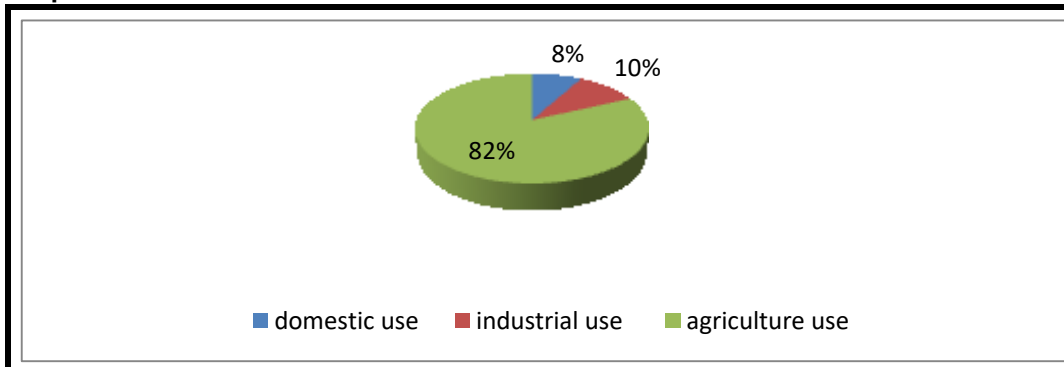
basic service level (40 lit/capita/day) of water. Based on water availability, India is ranked 132 out of 180 nations, whereas water quality-wise India is ranked 122 out of 130 nations. Further, about 80 per cent of all water sources are contaminated with pathogenic micro-organisms whereas, about 30 per cent of the total water sources are contaminated by heavy metals.

India's Water Requirement National water use of a particular country is closely linked to its economy, as water is an essential component in agriculture as well as its industrial growth. Graph 1 shows the water use pattern in high-income (developed) countries vis-a-vis water use pattern in low income (developing) countries.

Graph-1 High-income countries



Graph-1 low and middle income countries



Source: National Water Policy (2002)

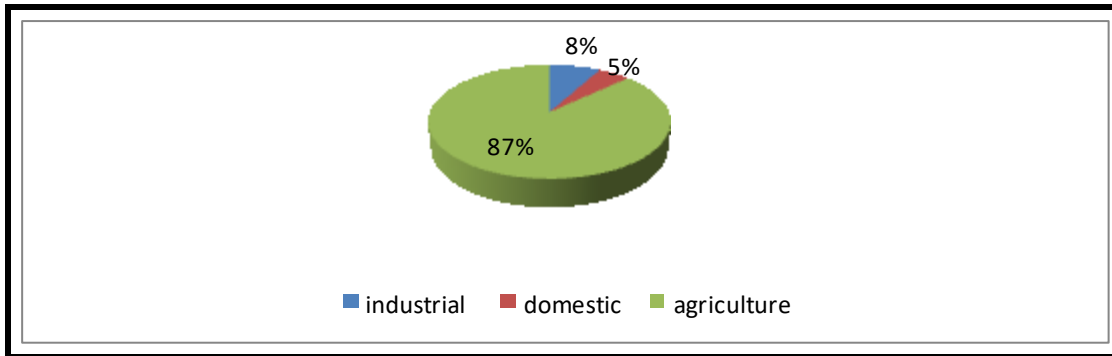
In India, about 87 per cent of the water is consumed for agriculture, followed by the industrial sector, which consumes about eight per cent. The domestic sector accounts for around five per cent of the total water consumption. According to the National Water Policy (2002) of the Government of India, water is to be allocated according to the following priority list:

1. Drinking water
2. Irrigation
3. Hydro-power
4. Ecology
5. Agro - industries and nonagricultural industries
6. Navigation and other uses

Industrial Water Use

Industrial water use is closely linked to the economy of a country. As GDP increases, so will the industrial water consumption. The industrial water consumption in India is further expected to increase showing to the development of the economy (graph- 2). Although, industries consume only eight per cent of water, they are the worst affected due to water crisis as they are given the last preference by the National Water Policy.

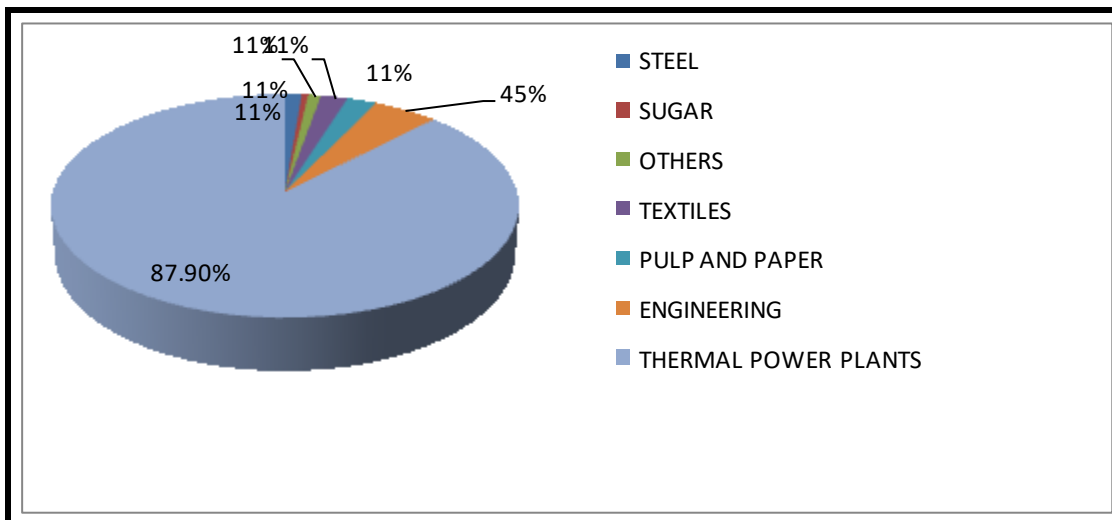
Graph-2 water consumption in different sectors



Source: chemtech⁸

Apart from being a crucial raw material, water plays a significant role in generation of energy through various sources; the two primary factors for survival and growth of the industries. Therefore, the unavailability of water results in breakdown of production and is a major risk. Graph- 3 provides the break-up of water consumed by various industrial sub-sectors. Thermal power plants consume around 88 per cent of freshwater, mostly for cooling purposes. A coal-based power plant consumes about 120-170 m³ of water/day/ MW of electricity produced. On comparing an average Indian industry with the best global industry, it is seen that the Indian industry is far more water intensive than its global counterpart.

Graph-3 water consumption by various industrial sub-sectors



Source: chemtech⁸

Higher water consumption in Indian industries is due to the sheer scale of inefficiency and waste in the industrial system, lack of proper information, dearth of price sensitive and predictive water management information and the lack of a proactive approach.

Business-as-Usual Scenario Projections Water Demand

India is blessed with good rainfall well distributed over 5-6 months in the year. The average annual rainfall in the country is 1170 mm with a wide range between 100 mm in desert areas of Rajasthan to 10000 mm in Cherapunji. The total available sweet water in the country is 3000 billion m³ per annum. Out of this, over 1050 billion m³ water is lost due to evaporation, transpiration and runoff, reducing the available water to 1950 billion m³ and the usable water to 1123 billion m³. Only 18% of the rainwater is used effectively while 48% enters the river and most of which reaches the ocean. Out of the total usable water, 728 billion m³ is contributed from surface water and 395 billion m³ is contributed by replenish able ground water. The projected water demand in the country by 2025 & 2050 will be about 1093 & 1447 billion cum respectively against the demand of 634 billion cum in 2000. Factor responsible for high demand of water in future is due to rapid industrialization to match projected GDP growth of the country, massive shift from rural to urban population. The total water demand of the business as usual scenario is projected to increase 22% by 2025 and 32% by 2050 (Table 1). The domestic and industrial sectors account for a substantial part of the additional water demand, 8% and 11%, respectively, of the total water demand by 2025, and 11% and 18%, respectively, by 2050. Moreover, the domestic and industrial sectors will account for 54% of the additional water demand by 2025, and for more than 85% by 2050. The business as usual scenario envisages significant water transfers from the irrigation sector

to other sectors by 2050. The combination of higher irrigation efficiencies and large groundwater irrigated areas decreases the demand for surface water irrigation between 2025 and 2050. While the total irrigation demand decreases by 38 Bm³ the demand for surface water irrigation is estimated to decrease by 46 Bm³. This surplus irrigation water is projected to be available for the other two sectors.

Table: 1 water demand for business as usual scenario

2025		2050	
Total Bm ³	% from ground water	Total Bm ³	% from ground water
675	45	637	51
66	45	101	50
92	30	161	30
833	43	900	47

^a Domestic withdrawals include those for livestock water demand

^b Industrial withdrawals include cooling needs for power generation

Source: Amara Singhe

4. THE NATIONAL WATER POLICY (NWP)

India had revised the NWP in 2002 with the following salient features (Government of India, 2009):

- Establishment of National and State level data banks to monitor the demand and supply;
- Facilitation for transformation of available water resources into utilizable water;
- Non-conventional methods for efficient water use;
- Supply of water from water surplus areas to water shortage areas;
- Judicious allocation of water for different uses and pricing of water to ensure sustainable development;
- Regulation on ground water exploitation and close monitoring of water table using modern scientific techniques;
- Sustainability of existing water bodies, involving all the stakeholders and local communities;
- PPP for water resource development and distribution;
- Master plan for flood control, by linking different rivers and promoting soil conservation measures;
- Development of drought prone areas through watershed development, afforestation and sustainable farming practices;
- Interstate water sharing policy and timely addressing of disputes.

Over the last 10 years, the situation has changed drastically and the progress in the water sector has not been keeping up with the expected target. It was therefore felt necessary to bring further changes in the policy, particularly in the following areas:

Changes proposed in the National Water Policy:

- **Industrial Sector**
 - Encourage recycling and treatment of industrial wastewater through regulations and subsidies;
 - Encourage introduction of new technologies which consume less water.

5. WATER RISK MANAGEMENT STRATEGIES

Industrial sector in India is the second largest consumer of water after agriculture sector. Its total share amounts to 9 per cent. Various industries require large quantities of water for different processes and also discharge huge quantity of waste water. Consequently, the industrial sector will be competing for access to water while pressures on the sector to protect water resources from pollution are mounting. The consequences of responsible or irresponsible use of water resources are increasingly becoming strategically important. Considering large inflow and outflow volume of water in this sector, water use efficiency is of utmost importance to this sector. The issue of water use efficiency is an important contributor to management strategies needed to address problems of water scarcity and costly new supplies. Water use efficiency is not simply a matter of using less water through restrictions. It is about careful management of water supply sources, use of water saving technologies, reduction of excessive demand, and other actions. Industrial sector in this regard has to take extra efforts to sustain their business efficiently by taking measures for judicious use of water. The Draft Guideline for development of Water Use Efficiency in Rural, Urban, Industrial and Irrigation Sector, Government of India clearly states that for industries, water use efficiency measures essentially comprise of the following

Components:

- Accounting for water use
- Identifying water saving measures

- Preparing a plan to implement the identified measures.

Water efficiency management plans aim to help business better manage water use, save on water costs, improve efficiency, and reduce business water consumption. There are various avenues where industry can use water more efficiently. Machinery, industrial processes and related support services require large quantities of water which can be reduced significantly by introducing water efficient technologies. Water saving measures, one of the essential components of water efficiency management plan is based on **3 basic R's: recycling, reuse, and reduction** in water consumption.

A) Recycling

Water recycling is the multiple use of water, usually sourced from wastewater treated to a standard appropriate for its intended use. Recycled water can reduce the burden on fresh water resources by providing a fit-for purpose water solution.

B) Reuse

In this system, the outflow from one process, whether treated or untreated, is used in another requiring a different quality of water.

C) Reduction in Water Consumption

It is possible to optimize processes, improve operations, or modify the equipment or the attitude of users. Here it is necessary to calculate the amount of water required by any given process, compare the result with the actual amount used, and evaluate options for reducing consumption. Industries having adjacent areas such as gardens, sanitary services, etc., have quite good potential of significant reductions. Likewise, there are many more strategies that can be adopted to enhance water use efficiency in industries. Industrial facilities have a good potential for raising their water efficiency rates. Experience from around the world shows that adopting a systematic approach to water efficiency often results in reduced water consumption by 20–50%, and up to 90% when more advanced measures are implemented.

6. DISCLOSURE ANALYSIS

The significance of corporate water issues is now being widely recognized in investment terms. Water risks can manifest not just in company's own operations but across the entire value chain, which, if undetected or unmanaged, can expose investors to potentially significant risks. Therefore, an increasing number of institutional investors and buyers are calling for transparent and comparable disclosure of water related information for consideration in their investment and purchasing decision making. This is reflected in increasing sector-specific risk assessments conducted by financial institutions, like **HSBC** (on thermal, and food and beverages).⁹

As water scarcity and competition for water continue to rise, companies face increasing physical, regulatory, and other water related risks. **Tata Chemicals** has assessed that competing water demand may generate conflict amongst shared water users. Therefore, as a risk management strategy the company is engaging with the local community on various watershed initiatives. **Tata Chemicals Ltd.**, has set goals and targets not only in the category of direct operations but also in the category of supply chain, watershed management, public policy and community engagement, thus moving beyond direct operations. Perceptions of strategic opportunities arising out of the water crises vary across cost savings, increased brand value, sales of new products or services and other business opportunities, including water conservation, recycling and reuse of wastewater. However, the most commonly cited opportunity relates to cost savings followed by general reputational benefits.

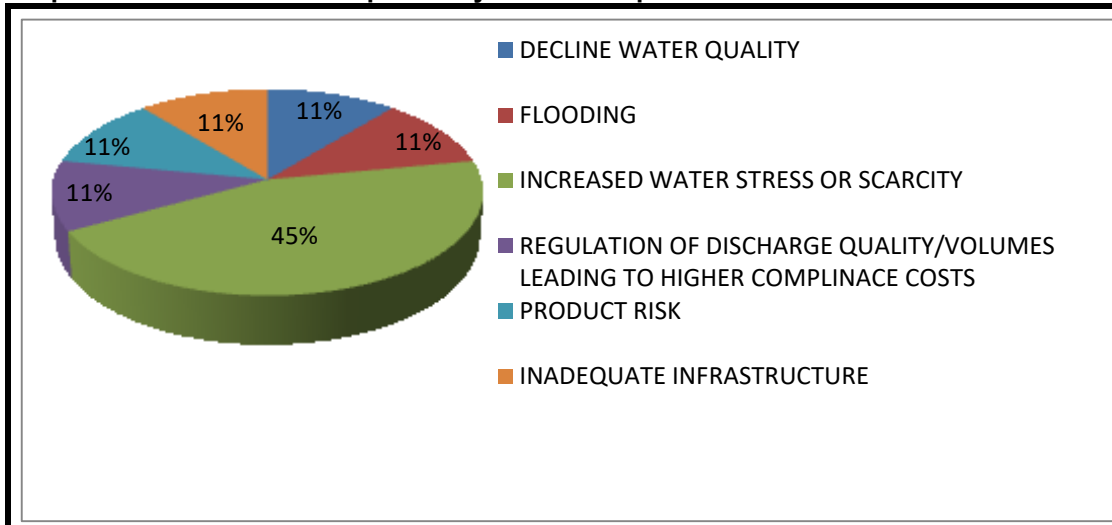
ITC has reported a decline in water quality. Given the company's strong focus on product quality, declining water quality poses a substantive risk to it's to its agri-business in terms of the quality of raw materials available for conversion into finished product. At **ITC**, water related data for all units is recorded in ITC's Integrated Sustainability Data Management System as per the Standard Operating Procedures. In addition, third party verification of water related data is also conducted at selected units. Such disclosure of water withdrawal data enables the reporting organization and its stakeholders to perform benchmarking exercises and, thus, provide a basis for optimizing water use. **ITC** foresees substantial cost savings through the implementation of integrated watershed development programmes in the community. Such programmes improve the reliability of available water resources to farmers and thus assure a stable supply of agricultural products in the supply chain of ITC.

L&T has identified that water is a key component in its supply chain and as a risk management strategy, conducts awareness sessions on water conservation measures during its stakeholder meetings.

Though businesses in India are realizing the risks related to water, they are grossly underestimating them. Risks across the value chain are not understood holistically and the recognition of water as a shared resource and therefore a shared risk is missing. As a result, risk mitigation strategies are still at a nascent stage—mostly internal and short-term. Such responses may not be enough to insulate the business risk to companies operating in water-scarce or stressed areas. It also increases the vulnerability of ecosystems and communities dependent on the watershed or basin.

Water stewardship for industries WWF-Accenture report¹⁰

Graph-4 water related risk reported by Indian companies



Source: carbon disclosure project 2013

The role of disclosure in safeguarding water resources

- 1) Enhancing business awareness and understanding
- 2) Developing standard measures
- 3) Providing relevant information for investors and other key stakeholders
- 4) Raising general awareness
- 5) Action and dialogue

Conclusion

Water may well be the defining environmental issue of the 21st century. The potential impact is huge. The challenges posed are significant and the solution will require coordinated action from business, individuals and governments, the public and the private sector need to work in coherence with a spirit of shared responsibility that can be capitalized by both a for a sustainable future. Cities and industries are competing intensely with agriculture for the use of water. To allay farmers risk aversion, better seasonal and annual forecasting of rainfall and water availability and flood management, are required both to mitigate climate change and to improve the resilience of production system.

Water is shared in proportion between domestic, agriculture and industries. There is a need for holistic approach to enhance water use potential of the country; many voluntary organizations are well as national and international research and development organizations, who have implemented several successful projects with active participation of farmers. Awareness and orientation of water users to change their lifestyle to conserve water can help the country to tide over the water crisis in the future.

Availability of fresh water is challenging continues to be future risk which can be deled significantly by extending corporate social responsibility in risk management. The objective can be achieved by building attitude among the farming community, by working on research and development, change in lifestyle of citizens and implementing best risk management strategies available globally. Besides providing free education, health, support to environment protection and other social welfare activities by corporations as social responsibility it is also equally important to extend their support in the area of water risk management. Dealing with this global risk will benefit for both agriculture and industries because water is a proportionate compound shared by both.

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A Study On Labour Welfare In Sri Venkata Lakshmi Narasimha Spinning Mills Pvt.Ltd Chebrole, Guntur Dist

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LABOUR WELFARE

Introduction: Labour welfare work aims at providing such service facilities and amenities which enable the workers employed in an organization to perform their work in healthy congenial surrounding conducive to good health and high morale.

Labour welfare is a comprehensive term including various services, benefits and facilities offered by the employer. Through such generous fringe benefits the employer makes life worth living for employees. The welfare amenities are extended in addition to normal wages and other economic rewards available to employees as per the legal provisions.

Welfare measures may also be provided by the government, trade unions and non-government agencies in addition to the employer. "International Labour Organization efforts to make life worth living for workers" According to the Oxford dictionary "Welfare is fundamentally an attitude of mind on the part of management influencing the method by which management activities are undertaken.

MEANING

Welfare means faring or doing well. It is a comprehensive term, and refers to the physical, mental, moral and emotional well being of an individual. Further, the term welfare is a relative concept, relative in time and space. It, is therefore varies from time to time, from region to region from country to country.

Labour welfare, also referred to as betterment work for employees, relates to taking care of well-being of workers by employees, trade unions, and governmental and non-governmental agencies.

Different authors say what is welfare is:

The oxford dictionary defines "Labour welfare as efforts to make life worth living for workmen."

The encyclopaedia of social sciences defines:

"The voluntary efforts of the employers to establish within the existing industrial item working and something as living and cultural conditions of employees beyond and it are required by law the customs of the industry and the conditions of market".

R.R. Hopkins:

Welfare is a fundamentally an attitude of mind on the part of management activities are undertaken.

SCOPE OF THE STUDY

- The scope of the study is confined to SVLNS PVT.LTD.
- It was conducted during period of 35 days only.
- The data was collected from workers and executives categories only.
- The study covered the major welfare activities of working environment, canteen facilities, medical facilities and housing facilities.
- The study has been conducted in SVLNS Pvt.Ltd, Chebrole only.
- The study covers some of the statutory welfare measures namely canteens, washing facilities, resting facilities, dress and storing facilities, sanitary and drinking water facilities and the non – statutory welfare measures namely education, housing, cooperatives, transport and recreation.

OBJECTIVES OF THE STUDY

- To identify the existing labour welfare facilities in SVLNS Pvt.Ltd.
- To study the satisfaction level over the existing labour welfare facilities.
- To identify the weak areas of the labour welfare.
- To study about the satisfaction level of workers regarding the welfare activities provided by the SVLNS Pvt.Ltd.
- To know whether the company is encouraging workers to use welfare activities.
- To study how the organization motivate the employees by identifying and satisfying their unsatisfied needs.
- To offer findings, suggestions to improve the satisfaction level of labours over the welfare facilities.

RESEARCH METHODOLOGY

Research as “a careful investigation or inquiry especially through search for new facts in any branch of knowledge.”

- The Advanced Learner’s Dictionary of Current English, Oxford, 1952, p. 1069.

This is a systematic way to solve the research problem and it is an important component for the study without which researcher may not be able to obtain the facts and figures from the employees.

Sources of data: Data was collected based on two sources:

1.Primary data: The primary data is collected with the help of questionnaires. The questionnaires are chosen because of its simplicity and reliability researchers can expect a straight answer, which is directly related to the questions.

2.Secondary data: Secondary data is collected through the document provided by the HR department such as policy decisions, reports regarding suggestion scheme etc. books from various authors of HRD, magazines, journals and annual reports of the company, feedback reports file of training department, brochures and company personal manual.

Sampling unit:

Sampling unit for the study is executives, workers of SVLNS PVT.LTD, Thimmapuram,

Sampling size:

The sample size consists of 100 respondents.

Research Design

“Research as the systematic investigation into and the study of materials and sources in order to establish facts and reach new conclusion.”

- A research design involves the complete process of planning and operation of the research.
- A research design is an instrument, which helps in achieving scientific accuracy of the study under consideration.

Sampling technique : Sampling can be broadly classified into probability sampling and non probability sampling. But the study is conducted by non-random convenient sampling techniques for the purpose of assuring the sample size.

Method of collection of data:

The data is collected through questionnaire regarding the purpose of approval and positive and negative aspects of existing system were analyzed quantitatively and qualitatively and interpretations were summarized. The questionnaire consists of both open and closed end questions.

Data Analysis:

The data is analysed with the help of percentages. Column charts are also used to analyse and interpret the data.

REASONS FOR THE LABOUR WELFARE ACTIVITIES IN INDIA:

1.Increase in efficiency of employees: Labour welfare activities increases in efficiency of employees to work. These facilities help in developing the feeling of dedication among them. Due to the increase in efficiency the production and the productivity of the enterprise increase considerably.

2.Helpful in reducing the state of poverty among employees: Most of the workers in our country are unable in providing for base necessities for themselves and to their family members. This is because of the extreme poverty among Indian workers. Provision of labour welfare activities plays an important role in reducing such poverty and in providing essential amenities to the workers.

3.Establishment of Organizational peace: Labour welfare activities help in establishing sound relations between employees and employers. When the employees of the organization feels that they are getting all the possible facilities and the employers are very caring to them, then such good feeling increases enthusiasm among employees which will establish peace in the organization.

4. Helpful in reducing the rate of absenteeism and labour turnover: The rate of absenteeism and labour turnover is much higher in India as compared to that of developed countries of the world. Provision of labour welfare activities help in reducing this because the workers feel themselves well settled at one place.

5.Statutory Provisions Concerning labour welfare:

Some legal provisions are framed to force such a employee welfare there are as follows.

The Factories Act 1948:

- Facilities for storing and drying clothes.
- Canteens, if more than 250 workers are employed
- Crèche where more than 30 women workers are employed.
- Welfare officer, wherever more than 500 workers are employed.
- Shelter, rest rooms and lunch rooms if there are more than 150workers
- First aid boxes or cupboards-one for every 150 workers.And ambulance facilities if there are more than 500 workers.

The Plantation Labour Act, 1951:

- A canteen wherever 150 or more workers are employed.
- Housing facilities for every worker and his family residing in the plantation.
- Appointment of a welfare officer in plantations employing 300 or more workers.
- Medical aid to workers and their families.

The Mines Act 1952:

- Creches if 50 or more women are employed.
- A canteen whenever 250 or more worker are employed
- First aid boxes and first aid rooms in mines employing more than 150 workers.
- Appointment of a welfare officer wherever more than 150 workers are employed

STATUTORY WELFARE SCHEMES: The statutory welfare schemes including the following provisions,

1. Drinking Water:

At all the working places safe hygienic drinking water Should be provided.

2. Facilities for sitting:

In every organization, especially factories, suitable Seating arrangements are to be provided.

3. First aid appliances:

First aid appliances are to be provided and should be readily assessable so that in case of any minor accident initial medication can be provided to the Needed employee.

4. Latrines and Urinals:

A sufficient number of latrines and urinals are to be provided in the office and factory premises and are also to be maintained in a neat and clean condition.

5. Canteen facilities:

Cafeteria or canteens are to be provided by the employer so as to provide Hygienic and nutritious food to the employees.

6. Spittoons:

In every work place, such as ware houses, store places, in the dock area and office premises spittoons are to be provided in convenient places and some are to be maintained in a hygienic condition.

7. Lighting:

Proper and sufficient lights are to be provided for employees so that they Can work safely during the night shift.

8. Washing places:

Adequate washing places such as bathrooms, wash basins with tap and tap on the stand pipe are provided in the port area in the vicinity of the work places.

9. Changing rooms:

Adequate changing rooms are to be provided for workers to change their cloth in the factory area and office premises. Adequate lockers are also provided to the workers to keep their clothes and belongings.

10. Rest rooms:

Adequate numbers of restrooms are provided to the workers with provisions of water supply, wash basins, toilets, bathrooms, etc.

NON STATUTORY SCHEMES

Many non statutory welfare schemes may include the following schemes:

1. Personal Health Care (Regular medical check-ups):

Some of the companies provide the facility for extensive health check-up.

2. Flexi-time:

The main objective of the flexi-time policy is to provide opportunity to employees to work with flexible working schedules. Flexible work schedules are initiated by employees and approved by management to meet business commitments while supporting employee personal life needs

3. Employee Assistance Programs:

Various assistant programs are arranged like external counselling service so that employees or members of their immediate family can get counselling on various matters.

4. Harassment Policy:

To protect an employee from harassments of any kind, guidelines are provided for proper action and also for protecting the aggrieved employee.

5. Maternity & Adoption Leave :

Employees can avail maternity or adoption leaves. Paternity leave policies have also been introduced by various companies.

6. Medi-claim Insurance Scheme:

This insurance scheme provides adequate insurance coverage of employees for expenses related to hospitalization due to illness, disease or injury or pregnancy.

CONCLUSIONS

The study concludes that, the labour welfare in “SVLNS Pvt.Ltd” is effective but not highly effective. The company is having better welfare activities and the labours are satisfied with their welfare schemes provided by the management. It is helpful for the growth of the company to improve its productivity. If the company can even follow welfare facilities such as, travelling facilities, canteen facilities, drinking facility, medical facilities etc.

Labour welfare awareness meetings and presentation must carry out periodically, this in turn helps to improve the labour satisfaction and the will show in the improvements of productivity. Labour welfare is very important to run the company successfully so the company should follow the welfare activities regularly to improve the labour satisfaction in their working environment

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A study on employee motivation in elaine dairy pvt. Ltd., Guntur

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HUMAN RESOURCE MANAGEMENT

Human Resource Management (HRM) is a management function that helps managers recruit, select, train and develops members for an organization. Obviously, HRM is concern with the people's dimension in organizations. Human Resource Management refers to a set of programs, functions and activities designed and carried out in order to maximize both employees as well as organizational effectiveness.

It is the process of binding people and organizations together so that the objectives of each are achieved. Human Resource Management involves the application of management function and principles. The functions and principles are applied to acquisitioning, developing, maintaining, and remunerating employees in organizations. Human Resource Management can be defined as the art of procuring, developing and maintaining competent workforce to achieve the goals of an organization in an efficient manner.

Human Resource Management forms a crucial function in organization of all sizes. Traditionally, HRM departments had a relatively small role to play in the organizations overall mission and plans. They developed staffing plans, handled complaints, determined benefits and compensation and conducted performance appraisal programs.

Human Resource Management is playing a more strategic role in charting the course of their firms. Changing demographics, rapid technological changes and the need for new skills have created a strategic need for HRM expertise. These changes have led to the acknowledgement that human resource need careful attention and are vital to the success of any business.

The today's highly competitive scenarios managers are being pressurized to improve quality, increase productivity, cut down waste and eliminate inefficiency in this context and this is where HRM can play a crucial Human resource management means employing people, developing their resources, utilizing, maintaining and compensating their services in tune with job and organizational requirements.

HR is the most significant factor of production every human being is born with tremendous potential. HR refers to the knowledge, skills, and beliefs of an organizations workplace. Enhance their skills, abilities, knowledge in accordance with the changing requirements of groups, organization and society is the essence of HRD.

EMPLOYEE MOTIVATION

However large or small a company or business is, it is employees at all levels that can make or break it. This holds true not only for the people we hire on a regular basis, but also for temporary and contracted workers. It is as important to research and study the needs, drives, and expectations of people we hire or employ, and aim at responding to and satisfying those, as it is with regard to customers. In actual fact, considering the role each "employee" plays in a company's success, analyzing and planning an adequate response to employees' motivations deserves first place in the order of business. Before going any further, let us shift our approach from grouping people under the generic category of "employee" to individual human beings and term them as "hired workers" or "working partners". This is what they are. We must acknowledge them as human beings with individual needs, drives, characteristics, personalities, and acknowledge their contribution to the business success. A major function of leaders is to support the motivation of other individuals and groups. (There is debate as to whether a person can motivate another versus whether a person can only support another to motivate themselves.) There are approaches to motivating people that are destructive, for example, fear and intimidation. While these approaches can seem very effective in promptly motivating people, the approaches are hurtful, and in addition, they usually only motivate for the short-term. There are also approaches that are constructive, for example, effective delegation and coaching. These constructive approaches can be very effective in motivating others and for long periods of time. Different people can have quite different motivators, for example, by more money, more recognition, time off from work, promotions, opportunities for learning, or opportunities for socializing and relationships. Therefore, when attempting to help motivate people, it's important to identify what motivates each of them. Ultimately, though, long-term motivation comes from people motivating themselves.

DEFINITION OF MOTIVATION

Motivation has been variously defined by scholars. Usually one or more of these words are included in the definition: desires, wants, aims, goals, drives, motives and incentives.

Motivation is derived from the Latin word „Move on which means “to move”. Human motives are internalized goals within individuals. A motive is an inner state that energizes, activates, or moves and directs or channels behavior towards goals. Motivation is the complex forces starting and keeping a person at work in the organisation. Motivation is the various drives within or environmental forces surrounding individual that stimulate or attract them in a specific manner. Motivation is the art of understanding motives satisfying them to direct and sustain behavior towards the accomplishment of organization goals

OBJECTIVES OF THE STUDY

- To analyze and examine the effectiveness of Motivation programmes in Elaine Dairy Private LTD
- To assess how often training programmes are conducted and how much are the employees satisfied.
- To study to what extent the training programmes are applicable to their jobs
- To study the employees opinion on the Motivation in Elaine Dairy Private LTD

NEED OF THE STUDY

The study is intended to evaluate motivation of employees in the organization.

- A good motivational program procedure is essential to achieve goal of the organization. If efficient motivational programmes of employees are made not only in this particular organization but also any other organization; the organizations can achieve
- Motivation has variety of effects. These effects may be seen in the context of an individuals physical and mental health, productivity, absenteeism and turnover.
- Employee delight has to be managed in more than one way. This helps in retaining and nurturing the true believers “who can deliver value to the organization.
- This research study examines types and levels of employee motivational programmes and also discusses management ideas that can be utilized to innovate employee motivation.

SCOPE OF THE STUDY

- Need to study employee motivation in external and internal process.
- The theory and analysis is varies.
- How motivation is done to employees.
- The collection of data is to study of employee motivation.
- The level of pay and benefits.
- Quality of the working conditions.
- Employee recognition
- Job security.
- The perceived fairness of the promotion system within the organization.
- Leadership and social relationships.
- Career development opportunity.

RESEARCH METHODOLOGY

Primary Source Primary data is collected from direct sources i.e Discussions with plant staff, Interviews, Questionnaire administered.

Secondary Source Secondary data is collected from indirect sources Journals Magazines and articles from prominent newspapers.

Population and Sample : There are 140 Officers & IInd class employees and 100 Managerial staff .The questionnaire is administered to 100 Officers and IInd class employees staff and 100 Managerial staff (The questionnaire has been administered to Managerial staff at Nalgonda and Miryalaguda Units. The questionnaire has been sent through E mail to all these staff and the replies were also received through e mail)

LIMITATIONS OF THE STUDY

1. The understand and knowledge may vary from person to person. The replied gives by the respondents are taken for granted, though they are not uniform.
2. Since names are mentioned in most of questionnaires, most of the employees answered favorable to the company. This might have led to wrong finding in the study.
3. The interpretation being based on percentage method is not definite.
4. The report is subjects to changes with fast changing scenario.

TYPES OF MOTIVATION

There are 2 types of motivation. They are

1. Positive motivation: Positive motivation is a process of attempting to influence others to do your will through the possibility of gain or reward. Incentive motivation is the pull mechanism.

2. Negative motivation: Negative motivation or fear motivation is based force or fear. Fear causes person to act in a certain way because they are afraid of the consequences if they don't Fear motivation is the push mechanism.

The objective of motivation is to create condition in which people are willingly to work with zeal, initiative, interest and enthusiasm, with a high personal and group. Moral satisfaction with a sense of responsibility, loyalty and discipline and with

EMPLOYEE MOTIVATION IN THE WORK PLACE

The job of a manager in the workplace is to get things done through employees. To do this the manager should be able to motive employees. To understand motivation one must understand human nature itself. Human nature can be very simple, yet very complex too. An understanding and appreciation of this is a prerequisite of effective employee motivation in the workplace and therefore effective management and leadership.

- Positive reinforcement
- Effective discipline and punishment
- Treating people fairly
- Satisfying employee needs
- Setting work related goals
- Restructuring job
- Based rewards on job performance

BASIC PRINCIPALS FOR MOTIVATING EMPLOYEES:

- Motivating employees starts with motivating yourself
- Always work to align goals of the organization with goals of employees
- Key to support the motivation of your employees understands what motivates each of them.
- Recognize that supporting employees motivation is a process, not a task
- Support employees' policies by using motivation by organization systems. □

MOST WORKERS NEED

- To Earn wages that will enable them to pay for basic necessities and additional
- luxuries such as the purchase of a home, or travel
- save for and enjoy old age security benefits
- Have medical and other insurance coverage
- acquire friends at work
- win recognition
- Be acknowledge and rewarded for special efforts and contributions
- Be able to advance in life and career-wise
- Have opportunities for self-development
- Improve their skills, knowledge, and know-how

FINDINGS

Majority of the respondents opinioned that the motivation system is existed.

- From the above study it is found that mostly the 47% employees respondents opinioned that, the factors of motivation is good.
- Majority of the respondents opinioned that they prefer peers.
- Mostly the 78.5% opinioned that, the motivation is done at the place of work.
- 42.8% opinioned that, they are fully all aware of the motivation system. The motivation is conducted for every 1 year most of the 1 year.
- 86% opinioned that, the interpersonal and team relationships with peers, superiors and subordinated is satisfactory and good.
- From the above study it is found that mostly the 50% opinioned that, the feedback is communicated to the motivation.
- From the above study it is found that of the respondents are 68.6% opinioned that, the feedback is communicated in the written form.
- From the above study it is found that of the respondents are 64.3% opinioned that, the feedback is communicated by the superior and others communicate to managers.
- Mostly 67.1% opinioned that, the self motivation report should submit to any controlling officer.

- From the above study it is found that of the respondents feels that the incentives being offered are moderate.
- From the above study it is found that of the respondents are satisfied with the leave policy practiced by the organization. It acts as a motivating factor to them.
- From the above study it is found that of the respondents are satisfied with the individual target setting
- From the above study it is found that most of the respondents feels that the team rewards help in increasing the efficiency of the members.
- From the above study it is found that of the respondents are satisfied with the remuneration being offered to them as they feel it as a motivating factor to them.

SUGGESTIONS

- Employee motivation is good and satisfactory
- There should be improve of system approach to every employee
- every employee should be motivated in effective manner so that every employee will be satisfied
- All three levels should be take care by HR MANAGER
- Most of the employees agree that the performance appraisal activities are helpful to get motivated, so the company should try to improve performance appraisal system, so that they can improve their performance.
- Non financial incentive plans should also be implemented; it can improve the productivity level of the employees.
- Organization should give importance to communication between employees and gain coordination through it.

CONCLUSION

In the above perspective, the present chapter makes an attempt to draw some conclusions. It should be confessed here that the investigator is conscious of the limitations of the study and the conclusion drawn on the basis of the sample from a single unit cannot be generalized about the entire manufacturing sector. With regard to value of people, the analysis leads to the conclusion that the Executives give a reasonable value to the Human Resources in the Organization. However, in respect of concept about power, they are somewhat agreed to share the power. As far as information sharing with lower rungs is concerned, they are very positive. One significant conclusion with regards to learning opportunities, which is a basic for empowerment, is that the executives are favorable and feel that sufficient learning opportunities should be there for the rank & file. As far as clarity is concerned, the executives are somewhat agreed i.e., neutral. The aspect wise percentage analysis leads to the conclusion that the organization is somewhat ready for employee empowerment because the majority of the Executives in almost all aspects are concentrated in somewhat ready group.

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A Study On Employee's Retention Strategies

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ABSTRACT

Employee retention is a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee. Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees.

Most employees feel that they are worth more than they are actually paid. There is a natural disparity between what people think they should be paid and what organizations spend in compensation. When the difference becomes too great and another opportunity occurs, turnover can result. Pay is defined as the wages, salary, or compensation given to an employee in exchange for services the employee performs for the organization. Pay is more than "dollars and cents;" it also acknowledges the worth and value of the human contribution. What people are paid has been shown to have a clear, reliable impact on turnover in numerous studies.

Employees comprise the most vital assets of the company. In a work place where employees are not able to use their full potential and not heard and valued, they are likely to leave because of stress and frustration. In a transparent environment while employees get a sense of achievement and belongingness from a healthy work environment, the company is benefited with a stronger, reliable *work-force harboring bright new ideas for its growth Blog Online and Earn Money.*

INTRODUCTION

Employee turnover is one of the largest though widely unknown costs an organization faces. While companies routinely keep track of various costs such as supplies and payroll, few take into consideration how much employee turnover will cost them: Ernst & Young estimates it costs approximately \$120,000 to replace 10 professionals. According to research done by Sibson & Company, to recoup the cost of losing just one employee a fast food restaurant must sell 7,613 combo meals at \$2.50 each. Employee turnover costs companies 30 to 50% of the annual salary of entry-level employees, 150% of middle-level employees, and up to 400% for upper level, specialized employees. Now that so much is being done by organizations to retain its employees.

Why is retention so important? Is it just to reduce the turn over costs?

Well, the answer is a definite no. It's not only the cost incurred by a company that emphasizes the need of retaining employees but also the need to retain talented employees from getting poached.

Retention involves five major things:

- Compensation
- Environment
- Growth
- Relationship
- Support

Compensation

Compensation constitutes the largest part of the employee retention process. The employees always have high expectations regarding their compensation packages. Compensation packages vary from industry to industry. So an attractive compensation package plays a critical role in retaining the employees. Compensation includes salary and wages, bonuses, benefits, prerequisites, stock options, bonuses, vacations, etc. While setting up the packages, the following components should be kept in mind:

- **Salary and monthly wage:** It is the biggest component of the compensation package. It is also the most common factor of comparison among employees. It includes
 - Basic wage
 - House rent allowance

- Dearness allowance
- City compensatory allowance

Salary and wages represent the level of skill and experience an individual has. Time to time increase in the salaries and wages of employees should be done. And this increase should be based on the employee's performance and his contribution to the organization. Bonus: Bonuses are usually given to the employees at the end of the year or on a festival. Economic benefits: It includes paid holidays, leave travel concession, etc. Long-term incentives: Long term incentives include stock options or stock grants. These incentives help retain employees in the organization's start up stage.

- **Health insurance:** Health insurance is a great benefit to the employees. It saves employees money as well as gives them a peace of mind that they have somebody to take care of them in bad times. It also shows the employee that the organization cares about the employee and its family.
- **After retirement:** It includes payments that an Employee gets after he retires like EPF (Employee Provident Fund) etc.
- **Miscellaneous compensation:** It may include employee assistance programs (like psychological counselling, legal assistance etc), discounts on company products, use of a company cars, etc.

Employee Retention Strategies

The basic practices which should be kept in mind in the employee retention strategies are:

1. Hire the right people in the first place.
2. Empower the employees: Give the employees the authority to get things done.
3. Make employees realize that they are the most valuable asset of the organization.
4. Have faith in them, trust and respect them.
5. Provide them information and knowledge.
6. Keep providing them feedback on their performance.
7. Recognize and appreciate their achievements.
8. Keep their morale high.
9. Create an environment where the employees want to work and have fun.

These practices can be categorized in 3 levels:

- ❖ Low,
- ❖ Medium and
- ❖ High level.
- **Low Level Employee Retention Strategies:**
 - ✓ Appreciating and recognizing a well done job
 - ✓ Periodic days off for good performance
 - ✓ Rewards (gift, certificates, monetary and non-monetary rewards)
 - ✓ Wedding gifts
 - ✓ Anniversary gifts
 - ✓ New born baby gifts
 - ✓ Scholarships for employee's children
 - ✓ Get well cards/flowers
 - ✓ Birthday cards, celebrations and gifts
 - ✓ Providing benefits
 - ✓ Home insurance plans
 - ✓ Legal insurance
 - ✓ Travel insurance
 - ✓ Providing workplace conveniences
 - ✓ On-site ATM
 - ✓ laundry facility for bachelors
 - ✓ Shipping services
 - ✓ Financial planning assistance
 - ✓ Casual dress policies
 - ✓ Facilities for expectant mothers
 - ✓ Parking
 - ✓ Parenting guide
 - ✓ Flexi timings
 - ✓ Fun at work
 - ✓ Celebrate birthdays, anniversaries, retirements, promotions, etc

- ✓ Holiday parties and holiday gift certificates
- ✓ Occasional parties like diwali, holi, dushera, etc
- ✓ Organize get together for watching football, hockey, cricket matches
- ✓ Organize picnics and trips for movies etc
- ✓ Sports outings like cricket match etc
- ✓ Indoor games
- ✓ Occasional stress relievers
- ✓ Employee support in tough time or personal crisis
- ✓ Personal loans for emergencies
- ✓ Childcare and eldercare services
- ✓ Emergency childcare services
- **Medium Level Strategies for Employee Retention**
- ✓ Special bonus for successfully completing firm-sponsored certifications.
- ✓ Benefit programs for family support.
- ✓ Flexible benefits.
- ✓ Medical care reimbursement.
- ✓ Gymnasiums.
- ✓ Providing training and development and personal growth opportunities.
- ✓ Professional skills development.
- ✓ Individualized career guidance.
- **High Level Strategies**
- ✓ Promoting Work/Life Effectiveness.
- ✓ Develop flexible schedules.
- ✓ Part-time schedules.
- ✓ Extended leaves of absence.
- ✓ Develop Support Services.
- ✓ On-site day care facility etc.
- **Understanding employee needs:** This can be done through proper management style and culture .
- ✓ Listen to the employee and show interest in idea.
- ✓ Appreciate new ideas and reward risk-taking.
- ✓ Show support for individual initiative.
- ✓ Encourage creativity.
- **Encouraging professional training and development and/or personal growth opportunities:** It can be done through
- ✓ Mentoring programs
- ✓ Performance feedback programs
- ✓ Provide necessary tools to the employees to achieve their professional and personal goals
- ✓ Getting the most out of employee interests and talents
- ✓ Higher study opportunities for employees
- ✓ Offer personalized career guidance to employees
- **Providing an environment of trust:** Communication is the most important and effective way to develop trust.
- ✓ Suggestion committees can be created
- ✓ Open door communication policy can be followed
- **Regular feedbacks on organization's goals and activities should be taken from the employees by:**
- ✓ Management communications
- ✓ Intranet and internet can be used as they provide 24X7 access to the information Newsletters, notice boards, etc.
- **Hire the right people from the beginning:** employee retention is not a process that begins at the end. The process of retention begins right from the start of the recruitment process.
- Retention Success Mantra**
- **Transparent Work Culture**

In today's fast paced business environments where employees are constantly striving to achieve business goals under time restrictions; open minded and transparent work culture plays a vital role in employee retention. Companies invest very many hours and monies in training and educating

employees. These companies are severely affected when employees check out, especially in the middle of some big company project or venture. Although employees most often prefer to stay with the same company and use their time and experience for personal growth and development, they leave mainly because of work related stress and dissatisfactions. More and more companies have now realized the importance of a healthy work culture and have a gamut of people management good practices for employees to have that ideal fresh work-life.

A transparent work environment can serve as one of the primary triggers to facilitate accountability, trust, communication, responsibility, pride and so on. It is believed that in a transparent work culture employees rigorously communicate with their peers and exchange ideas and thoughts before they are finally matured in to full-blown concepts. It induces responsibility among employees and accountability towards other peers, which gradually builds up trust and pride. More importantly, transparency in work environment discourages work-politics which often hinders company goals as employees start to advance their personal objectives at the expense of development of the company as a single entity.

Quality of Work

The success of any organization depends on how it attracts recruits, motivates, and retains its workforce. Organizations need to be more flexible so that they develop their talented workforce and gain their commitment. Thus, organizations are required to retain employees by addressing their work life issues. The elements that are relevant to an individual's quality of work life include the task, the physical work environment, social environment within the organization, administrative system and relationship between life on and off the job. The basic objectives of a QWL program are improved working conditions for the Employee and increase organizational effectiveness.

Providing quality work life involves taking care of the following aspects

- ❖ **Occupational health care:** The safe work environment provides the basis for the person to enjoy working. The work should not pose a health hazard for the person. The employer and employee, aware of their risks and rights, could achieve a lot in Their mutually beneficial dialogue.
- ❖ **Suitable working time:** Organizations are offering flexible work options to their employees wherein employees enjoy flexi-timings for dedicating their efforts at work.
- ❖ **Appropriate salary:** The appropriate as well as attractive salary has always been an important factor in retaining employees. Providing employees salary at par with the other counterparts of above that what competitors are paying motivates them to stick With the company for long. QWL consists of opportunities for active involvement in group working arrangements or problem solving that are of mutual benefit to employees or employers, based on labor management cooperation.

The management can support employees directly or indirectly. Directly, they provide support in terms of personal crises, managing stress and personal development. Management can support employees, indirectly, in a number of ways as follows:

Managing employee turnover: Employee turnover affects the whole organization in terms of productivity. Managing the turnover, hence, becomes an important task. A proactive approach can be adopted to reduce attrition. Strategies should be framed in advance and implemented when the times arrives. Turnover costs should also be taken into consideration while framing these strategies.

Become employer of choice: What makes a company an employer of choice? Is the benefit it offers or the compensation packages it gives away to its employees? Or is it measured in terms of how they value their employees or in terms of customer satisfaction? Becoming an employer of choice involves following a road map which tells where to go as a brand.

Engage the new recruits: The newly hired employees are said to be least engaged in the organization. Keeping them engaged is an important task. The fresh talent should be utilized to maximum before they start feeling bored in the organization.

Optimize employee engagement: An organization's productivity is measured not in terms of employee satisfaction but by employee engagement. Employees are said to be engaged when they show a positive attitude toward the organization and express a commitment to remain with the organization. Employee satisfaction also comes with high engagement levels. So, organizations should aim to maximize the engagement among employees.

Coaching and mentoring: Employees whose work performance suffers due to poor interpersonal relationships or because of lack of interpersonal skills should be provided proper coaching by their superiors. Planed coaching sessions help an individual to work through issues, maximize his potential and return to peak performance.

Conclusion

Retention is an important concept that has been receiving considerable attention from academicians, researchers and practicing HR managers. In its essence, Retention comprises important

elements such as the need or content, search and choice of strategies, goal-directed behavior, social comparison of reward reinforcement, and performance-satisfaction. The increasing attention paid towards Retention is justified because of several reasons. Motivated employees come out with new ways of doing jobs. They are quality oriented. They are more productive.

Several approaches to retention are available. Early theories are too simplistic in their approach towards Retention. For example, advocates of scientific Management believe that money is the motivating factor. The Human Relations Movement posits that social contacts will motivate workers. Mere knowledge about the theories of Retention will not help manage their subordinates. They need to have certain techniques that help them change the behavior of employees. One such technique is reward. Reward, particularly money, is a motivator according to need-based and process theories of Retention. For the behavioral scientists, however, money is not important as a motivator. Whatever may be the arguments, it can be stated that money can influence some people in certain circumstance. Being an outgrowth of Herzberg's, two factor theory of Retention, job enrichment is considered to be a powerful motivator. An enriched job has added responsibilities. This makes the job interesting and rewarding. Job enlargement refers to adding a few more task elements horizontally.

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A Study On Equity Analysis In India Infoline Ltd, Guntur

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INTRODUCTION

India is a developing country. Nowadays many people are interested to invest in financial markets especially on equities to get high returns, and to save tax in honest way. Equities are playing a major role in contribution of capital to the business from the beginning. Since the introduction of shares concept, large numbers of investors are showing interest to invest in stock market.

In an industry plagued with skepticism and a stock market increasingly difficult to predict and contend with, if one looks hard enough there may still be a genuine aid for the Day Trader and Short Term Investor.

The price of a security represents a consensus. It is the price at which one person agrees to buy and another agrees to sell. The price at which an investor is willing to buy or sell depends primarily on his expectations. If he expects the security's price to rise, he will buy it; if the investor expects the price to fall, he will sell it. These simple statements are the cause of a major challenge in forecasting security prices, because they refer to human expectations. As we all know firsthand, humans expectations are neither easily quantifiable nor predictable. If prices are based on investor expectations, then knowing what a security should sell for (i.e., fundamental analysis) becomes less important than knowing what other investors expect it to sell for. That's not to say that knowing what a security should sell for isn't important--it is. But there is usually a fairly strong consensus of a stock's future earnings that the average investor cannot disprove

Fundamental analysis and technical analysis can co-exist in peace and complement each other. Since all the investors in the stock market want to make the maximum profits possible, they just cannot afford to ignore either fundamental or analysis

OBJECTIVES OF THE STUDY

The objective of this project is to deeply analyze our Indian Pharmaceutical Industry for investment purpose by monitoring the growth rate and performance on the basis of historical data.

The main objectives of the Project study are:

- Detailed analysis of Pharmaceutical Sector which is gearing towards international standards
- Analyze the impact of qualitative factors on industry's and company's prospects
- Comparative analysis of five key players in the industry which include Cipla, Dr. Reddy's, GlaxoSmithKline, Lupin and primal health care through fundamental analysis.
- Suggesting as to which company's shares would be best for an investor to invest.

NEED FOR THE STUDY

To start any business capital plays major role. Capital can be acquired in two ways by issuing shares or by taking debt from financial institutions or borrowing money from financial institutions. The owners of the company have to pay regular interest and principal amount at the end. Stock is ownership in a company, with each share of stock representing a tiny piece of ownership. The more shares you own, the more of the company you own. The more shares you own, the more dividends you earn when the company makes a profit. In the financial world, ownership is called "Equity".

Advantages of selling stock:

A company can raise more capital than it could borrow.

A company does not have to make periodic interest payments to creditors.

A company does not have to make principal payments.

Stock/shares play a major role in acquiring capital to the business in return investors are paid dividends to the shares they own. The more shares you own the more dividends you receive.

The role of equity analysis is to provide information to the market. An efficient market relies on information, a lack of information creates inefficiencies that result in stocks being misrepresented (over or under valued). This is valuable because it fills information gaps so that each individual investor does not need to analyze every stock there by making the markets more efficient.

SCOPE OF THE STUDY

The scope of the study is identified after and during, the study is conducted. The project is based on tools like fundamental analysis and ratio analysis. Further, the study is based on information of last five years.

- The analysis is made by taking into consideration five companies i.e. Cipla, Dr Reddys, GlaxoSmithKline, Lupin and Piramal Health Care.
- The scope of the study is limited for a period of five years.
- The scope is limited to only the fundamental analysis of the chosen stocks.

RESEARCH METHODOLOGY

The Present projects cook covers a period of five years from 2010-11 to 2014-15. The project work is based on the data collected from primary and secondary sources.

There are two type techniques:

1. Primary data.
2. Secondary data.

Primary data:

Primary data can be gathered by communication methods which mean asking for their opinions, attitudes, motivations, characteristics. Observation methods which mean no interaction with respondents letting them behave naturally and drawing conclusions from their actions.

Secondary data:

Pre-existing data not gathered for purposes of the current research it is not „new“ data is second hand“ data. Secondary data may be collected from published and unpublished places; Secondary data is gathered before primary data. Because some of your questions can possibly have been already answered by other investigators or authors.

LIMITATIONS OF THE STUDY

- This study has been conducted purely to understand Equity analysis for investors.
- The study is restricted to three companies based on Fundamental analysis.
- The study is limited to the companies having equities.
- Detailed study of the topic was not possible due to limited size of the project.
- There was a constraint with regard to time allocation for the research study i.e. for a period of 35 days.
- Suggestions and conclusions are based on the limited data of five years

EQUITY CAPITAL TERMINOLOGY:

The important terms used in equity capital are listed below:

- **Authorized Capital:** The authorized capital is the maximum number of shares of each type that may be issued by the company. To change this number, or provision of any class of shares, the company requires the formal approval of shareholders.
- **Issued Capital:** Issued capital is the part of the authorized capital that has been issued for cash, property, or service.
- **Paid up Capital:** Fully paid shares are those shares for which the corporation has received full payment up to the par-value, or up to the amount established as the selling price of no-par-shares. Partly paid shares are those shares that have been issued for less than par-value or the agreed subscription.

NATURE OF EQUITY SHARES:

Equity shares represent an ownership of a corporation. It is true that the equity shares must bear first impact of any adversity, but it is also true that the equity shares is the only class of securities privileged to enjoy maximum participation in an extensive growth of the company. The risk of the one may be regarded as price. In fact, the investor is vitally concerned with the yield earned over the commensurate with the opportunity of the other.

Evidence of Ownership: When investor buys equity shares, they receive certificates of ownership as a proof of their part as owners of the company. This certificates state the number of shares purchased, their par value, if any, and usually the transfer agent. When equity shares are purchased on the market (that when it is not a new issue which is purchased from the company).

Maturity of Equity Shares: Equity shares have no maturity date. Their life is limited by the length of time stated in the corporate charter know as “Memorandum of Association”. The corporate life might be for stated or limited period, or it might be perpetual. Most corporations have a perpetual character. The date on which the equity is sold by the investor is the maturity date, and the price at which the equity is sold is called the maturity period that the equity is owned.

Par Value: Par value is the face value of the share. Equity shares have par value, a nominal stated value. The par value of an equity shares indicates the amount of capital originally subscribed by the shareholders. New shares cannot be sold less than par value. If the equity shares are sold for more than par, the excess is transferred to „Share Premium Account“.

Net Asset Value and Book Value: Distrust of present value formulae, the quest for objectivity and perhaps even nostalgia lead some analyst to place greater emphasis on the asset value factor when

evaluating investment worth of a company's equity shares. Net assets or net worth can be calculated from either the asset or liability side of balance sheet.

Financial Analysis and Accounting Data: The historical numbers that analyst uses to prepare rates and forecasting equations are generally based on figures that have been taken from the published financial statements of the firm being analyzed. Although these statements may have been prepared "according to generally accepted accounting principles", there may be significant variation in real economic meaning of financial reports

SECURITY ANALYSIS

Investment success is pretty much a matter of careful selection and timing of stock purchases coupled with perfect matching to an individual's risk tolerance. In order to carry out selection, timing and matching actions an investor must conduct deep security analysis.

Investors purchase equity shares with two basic objectives;

To make capital profits by selling shares at higher prices.

To earn dividend income.

These two factors are affected by a host of factors. An investor has to carefully understand and analyze all these factors. There are basically two approaches to study security prices and valuation i.e. fundamental analysis and technical analysis

The value of common stock is determined in large measure by the performance of the firm that issued the stock. If the company is healthy and can demonstrate strength and growth, the value of the stock will increase. When values increase then prices follow and returns on an investment will increase. However, just to keep the savvy investor on their toes, the mix is complicated by the risk factors involved. Fundamental analysis examines all the dimensions of risk exposure and the probabilities of return, and merges them with broader economic analysis and greater industry analysis to formulate the valuation of a stock.

CONCLUSION

The outlook for Indian pharma sector for 2013 is stable. Earnings and profitability of Indian generic-based pharmaceutical companies will benefit from continued demand for generics. Strong revenue visibility coupled with stable operating profitability margins and limited capex spending would result in stable credit profiles for Fitch-rated entities. However, liquidity would remain a concern for the sector mainly on account of high working capital requirements.

US market is expected to be the main growth driver for the demand of generics. It is also expected that Indian pharmaceutical companies to see earnings visibility from the domestic markets and the positive prospects of outsourcing. The increasing interest towards generics among global innovator companies to either set shop in India or forge alliances and partnerships with Indian pharmaceutical companies will be additional revenue triggers for the sector.

During FY14, the margins of Indian pharmaceutical companies will mostly remain stable driven by increasing scale in the generic segment. This is also expected to continue into FY15. Fitch expects the profitability of Indian pharmaceutical companies to continue to benefit from better geographic and product mix, as well as from higher capacity utilisation levels. Despite the positives that would guide margin expansions, competition and subsequent price erosions could limit the expected improvement

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A study on dividend decision in kotak mahindra bank., dilsukhnagar, Hyderabad

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INTRODUCTION :

The term Dividend refers to that part of the profits of a company which is distributed amongst its shareholders. It may therefore be defined as the return that a shareholder gets from the company, out of its profits, on his share holdings. —According to the Institute of Chartered Accounts of India dividend is a —Distribution to shareholder out of profits or reserves available for this purpose

The Dividend policy has the effect of dividing its net earnings into two Parts: Retained earnings and dividends. The retained earnings provide funds to finance the long-term growth. It is the most significant source of financing a firm's investment in practice. A firm, which intends to pay dividends and also needs funds to finance its investment opportunities, will have to use external sources of finance. Dividend policy of the firm. Thus has its effect on both the long-term financing and the wealth of shareholders. The moderate view, which asserts that because of the information value of dividends, some dividends should be paid as it may have a favorable effect on the value of the share. The theory of empirical evidence about the dividend policy does not matter if we assume a real world with perfect capital markets and no taxes. The second theory of dividend policy is that there will definitely be low and high payout clients because of the differential personal taxes. The majority of the holders of this view also show that balance, there will be preponderous low payout clients because of low capital gain taxes. The third view argues that there does exist an optimum dividend policy. An optimum dividend policy is justified in terms of the information in agency costs.

SCOPE OF THE STUDY

Investment Decision Investment decision relates to selections of asset in which funds will be invested by a firm. The asset that can be acquired by a firm may be long term asset and short term asset. Investment Decision with regard to long term assets is called capital budgeting. Decision with regard to short term or current assets is called working capital management. Dividend Decision A firm distributes all profits or retain them or distribute a portion and retain the balance with it. Which course should be allowed? The decision depends upon the preference of the shareholders and investment opportunities available to the firm. Dividend Decision Dividend decision has a strong influence on the market price of the share. So the dividend policy is to be determined in terms of its impact on shareholder's value. The optimum dividend policy is one which maximizes the value of shares and wealth of the shareholders. Dividend Decision The financial manager should determine the optimum pay out ratio i.e. the proportions of net profit to be paid out to the shareholders. The above three decisions are inter related. To have an optimum financial decision the three should be taken jointly

OBJECTIVES OF THE STUDY

The basic objective of this study is as follows:

- To understand the importance of the dividend decision and their impact on the
- firm's capital budgeting decision.
- To know the various dividend policies followed by the firm.
- To understand the theoretical backdrop of the various dividend theories.
- To compare the various theories of dividend with reference to their assumptions
- and conclusions.
- To know whether the dividend decisions have an impact on the market value of
- the firm's equity.
- To see the various dividend policies of the Kotak Mahindra Bank (Kotak Mahindra Bank).
- To derive the empirical evidence for the relevance theories of dividends WALTER'S MODEL AND GORDON'S MODEL

RESEARCH METHODOLOGY

HYPOTHESIS FOR THE STUDY: A proposition is a statement about concepts that may be judged as true or false if it refers to observable phenomena. When a proposition is formulated for empirical testing, we call it a hypothesis. Hypotheses have also been described as statements in which we assign variables to cases. A case is defined in this sense as the entity or the thing the hypothesis. Talks about The variable are the characteristic, trait, or attribute that, in the hypothesis, are imputed to the case. In research, a hypothesis serves several important functions. The most important is that it guides the

directions of the study. It defines facts that are relevant and those that are not: in doing so, it suggests which form of research design is likely to be most important. A final role of the hypothesis is to provide a framework for organizing the conclusions of that result. In classical tests of significance two kinds of hypotheses are used. The null hypothesis, which is a statement that they're no difference, exists between the parameter and the statistic being compared to it. A second or alternative hypothesis is the logical opposite of the null hypothesis.

The null hypothesis in this study is as following:

The null hypothesis in this study is as following:

The dividend decisions are relevant to the capital budgeting decisions of the firm's belonging to the cement industry and the in turn effect the market value of the firms' equity. To prove this hypothesis we shall try to prove the two theories of relevance of dividend-Walter's model and Gordon's model

The alternate hypothesis in this case shall be as fallows:

The dividend decisions are irrelevant to capital budgeting decisions of the firm belonging to the Kotak Mahindra Bank (Kotak Mahindra Bank) and they in turn have no effect on the market value of the firm equity.

SAMPLE OF THE STUDY:

A sample is a part of the target population, carefully selected to represent that population. When researchers undertake sampling studies, they are interested in estimating one or more population values and/ or testing one or more statistical hypothesis. The sample of our study consists of the financial data of Kotak Mahindra Bank (Kotak Mahindra Bank) for the past five financial years.

DESIGN AND METHODOLOGY

Database for the Study:

The sources of information are classified to two-primary data and secondary data. The data collected by the researcher and agent known to the researcher, especially to answer the research question, is known as the primary data. Studies made by others for their own purposes represent secondary data to the researcher. Secondary sources can usually be found more quickly and cheaply than primary data especially when national and international statistics are needed. Similarly, data about distant places often can be collected more cheaply through secondary sources. The data used for this study is mostly secondary data. The information regarding the financial data of the past five years has been collected from the various website like the indiainfoline.com, the web portals of the respective company and other related sites.

Period of the study

The period of any research is the period which the data has been collected and analyzed. The period of this study has been limited to five financial years starting from 01-04-2007 to 31-03-2011

Sampling Design:

A variety of sampling techniques is available. The one selected depends on the requirements of the project and its objectives. The various methods of sampling have been classified basing on the representation – probability or non probability and on element selection-restricted. The sampling technique selected for conducting this study is judgment sampling. This is a restricted and non-probabilistic method of sampling; where the sample consisting of one company has been selected on basis of the past dividend payment made by the company.

Tools of Collecting Data :

There are various ways of collecting the data. Some of the most commonly used ones are telephone interview, personal interview and, questionnaire administering. These are basically the methods for collecting the primary data the data required for conducting this study it has been collected from the various web portals as the data is basically secondary in nature

LIMITATIONS OF THE STUDY

Every research conducted has certain limitations. These arise due to the method of sampling used, the method of data collation used and the source of the data apart from many other things. The limitations of this study are as follows: The data collected is of secondary nature and hence it is difficult to ascertain the reliability of the data.

- The scope of the study has been limited to the impact of the dividend on the market value of the firm's equity. Others factors affecting the firm's market value have been assumed to have remained unchanged.
- The period of the study has been limited to only five years.
- The method of sampling used is 'judgment sampling' hence the choice of the sample has been left entirely to the choice of the researcher. This has led to some amount bias being introduced into the research process.

DIVIDEND PRACTICES AND MODELS A CONCEPTUAL FRAME WORKS:

Dividend refers to that portion of a firm's net earnings, which are paid out to the shareholders. Our focus here is on dividends paid to the ordinary shareholders because holders of preference shares are entitled to a stipulated rate of dividend. Moreover, the discussion is relevant to widely held public limited companies, as the dividend issue does not pose a major problem for closely held private limited companies, since dividends are destroyed out of the profits, the alternative to the payment of dividends is the retention of earning profits. The retained earning constitutes an accessible important source and financing the investment requirements of firms. There is, thus a type of inverse relationship between retained earnings and cash dividends: larger retentions, lesser dividends smaller retentions, larger dividends. Thus, the alternative uses of the not earnings-dividends and retained earnings are competitive and conflicting.

A major decision of financial management is the dividend decision in the sense that the firm has to choose between distributing the profits to the shareholders and plugging them back into the business. The choice would obviously hinge on the effect of the decision on the maximizations of shareholders wealth. Given the objective of financial management of maximizing present values, the firm should be guided by the considerations as to which alternative use is consistent with the goal of wealth maximization. That is, the firm would be well advised to use the net profits for paying dividends to the shareholders if that payment will lead to the maximization of wealth of the owners. If not, the firm should rather retain them to finance investment programmers. The relationship between dividends and value of the firm should therefore, be the decision criterion.

There are however, conflicting opinions regarding the impact of dividends on the valuation of a firm. According to one school of thought, dividends are irrelevant so that the amount of dividends paid has no effect on the, valuation of a firm.

On the other hand, certain theories consider the dividend decision as relevant to the value of the firm measured in terms of the market price of the shares.

The purpose of this report is, therefore, to present a critical analysis of some important theories representing these two schools of thought with a view to illustrating the relationship between dividend policy and the valuation of a firm. The theories, which support the relevance hypothesis, are examined in the report

Factors influencing Dividend Decisions: There are certain issues that are taken into account by the directors while making the dividend decisions:

- Free Cash Flow
- Signaling of Information
- Clients of Dividends

1.Free Cash Flow Theory: The free cash flow theory is one of the prime factors of consideration when a dividend decision is taken. As per this theory the companies provide the shareholders with the money that is left after investing in all the projects that have a positive net present value.

2.Signaling of Information: It has been observed that the increase of the worth of stocks in the share market is directly proportional to the dividend information that is available in the market about the company. Whenever a company announces that it would provide more dividends to its shareholders, the price of the shares increases.

3.Clients of Dividends: While taking dividend decisions the directors have to be aware of the needs of the various types of shareholders as a particular type of distribution of shares may not be suitable for a certain group of shareholders. It has been seen that the companies have been making decent profits and also reduced their expenditure by providing dividends to only a particular group of shareholders.

Forms of Dividend

- **Scrip Dividend-** An unusual type of dividend involving the distribution of promissory notes that calls for some type of payment at a future date.
- **Bond Dividend-** A type of liability dividend paid in the dividend payer's bonds.
- **Property Dividend-** A stockholder dividend paid in a form other than cash, scrip, or the firm's own stock.
- **Cash Dividend-** A dividend paid in cash to a company's shareholders, normally out of the its current earnings or accumulated profits
- **Debenture Dividend**
- **Optional Dividend-** Dividend which the shareholder can choose to take as either cash or stock

Factors influencing the dividend decision

- Liquidity of funds
- Stability of earnings
- Financing policy of the firm

- Dividend policy of competitive firms
- Past dividend rates
- Debt obligation
- Ability to borrow
- Growth needs of the company
- Profit rates
- Legal requirements
- Policy of control
- Corporate taxation policy
- Tax position of shareholders
- Effect of trade policy
- Attitude of the investor group

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Satisfaction levels of farmers who are using navratna (ppl) d.a.p., in nizamabad district: a case study

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ABSTRACT

More than 60% of Indians are directly or indirectly depending on agriculture and its allied sectors. Indian soils are dream lands for every farmer and it feeds more than 1.25 billion people. Enriching it with quality fertilizers is very important. Farmer is giving food to more than 1.25 billion Indians by growing healthy crops. Farmers are purchasing different brands of fertilizers and are applying to their fields. All the fertilizers may not give good crop yields. But some of the fertilizers yields bumper crops. It is important to study which brand of fertilizers is satisfying the farmer by giving good yields. In this juncture it is very essential to study the satisfaction levels of farmers who are using Navratna (PPL) DAP for the selected crops like paddy and cotton in *kharif* season and soya bean and paddy in *Rabi* season .

INTRODUCTION

India's economy is mainly depending on Agriculture, which is based on weather and climate, soil fertility, availability of good quality seeds, fertilizers and pesticides. Nizamabad is located at North corner of Telangana State and accounts nearly 1/10 th of total area of the state where agriculture is the back bone of rural economy. Red and black soils are found across the Nizamabad District which are poor in organic carbon, major and minor nutrients due to it's highly eroded features, which adversely influence the productivity of the crops in the region. The consumption of the fertilizers per hectare in the Nizamabad District is very poor. The annual average rainfall of the district is 820.0 mm and it comes under semi arid tropics. The major crops grown in the district are Paddy, Cotton, Turmeric, Groundnut, Soybean etc.,.

Usage of Chemical fertilizers in India dates back to more than 100 years, where farmers were using the Farm Yard Manure, Poultry wastes etc for the crops for improving fertility of soil. After that East India Distilleries (E.I.D. Parry Company) company people advised bagasse of sugar industry to field crops. It gave bumper yields. Then they also experimented with bone meal (An Organic substance prepared by crushing the dead cattle bones). This bone meal contains Phosphorus, which on application to crops and fields of Floriculture & Horticulture boosted the growth and yields.

"Berzelius" invented "UREA" and this is the first chemical fertilizer invented in the lab. This is a chemical fertilizer which contains 46% of Nitrogen, which on application to crops boosts the vegetative growth as well as the yield. Then D.A.P. which contains 18% of N and 46% of P₂O₅ is prepared.

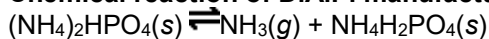
Fertilizers market is a typical example of exploitation of potential of rural market. During the year 1951-52, when fertilizers were totally a new input to farming, the consumption was only about 66,000 tons, which grew to 3,38,000 tons in 1961-62. Fertilizer consumption showed further increase in 1971-72, when it touched 2.66 million tons and during 1981-82 the consumption was 6.07 million tons. The market is still growing and the consumption was 13 million tons in 1991-92. This has further grown to 20.7 million tons by the year 2003-04. Consumption of the fertilizers reached to 22.3 million tons by the end of March, 2005. Recent fertilizers statistics shows that the India's consumption is 38.54 million tons by the end of March, 2011. It is growing because of the increasing land holdings and depletion of nutrients in the soil by the uptake of successive crops. D.A.P production in India was 42.5 Lakh tons (2009-10) out of which Paradeep Phosphates Ltd has produced 9.5 Lakh tons.

D.A.P production in India is 55.0 Lakh tons (2015-16) out of which Paradeep Phosphates Ltd has produced 11.0 Lakh tons.

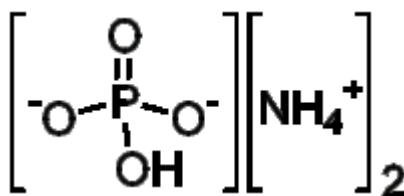
PRODUCT PROFILE OF D.A.P.

Diammonium phosphate (IUPAC name : Diammonium Hydrogen Phosphate)

Chemical reaction of D.A.P. manufacturing



Structure of Diammonium Hydrogen Phosphate



Properties of D.A.P.

Molecular formula : $(\text{NH}_4)_2\text{HPO}_4$

Molar mass : 132.07 g/mol

Appearance : white powder

Density : 1.619 g/cm³

Diammonium phosphate (DAP) (chemical formula $(\text{NH}_4)_2\text{HPO}_4$, IUPAC name **diammonium hydrogen phosphate**) is one of a series of water-soluble ammonium phosphate salts which can be produced when ammonia reacts with phosphoric acid. Solid diammonium phosphate shows a dissociation pressure of ammonia as given by the following expression and equation:



where: P = the resultant dissociation pressure of ammonia, T = absolute temperature (K) At 100°C, the dissociation pressure of diammonium phosphate is approximately 5 mmHg.

Manufacturing of Navratna D.A.P. (PPL DAP) (N=18% and P₂O₅=46%).

Manufacturing of any company's D.A.P. includes chemical reaction of Ammonia with Phosphoric acid. This reaction gives rise to D.A.P. with the nutrients of N=16% and P₂O₅=46%. Then to increase the percentage of N from 16% to 18%, some companies add Urea. But Paradeep Phosphates Ltd is adding Ammonium Phosphate to increase the percentage of N from 16% to 18%. This Ammonium Phosphate will add 2% of P₂O₅ to D.A.P. and leaves Sulphur in the filler material. This extra Sulphur present in the *Navratna D.A.P.* by default is the 4th major nutrient required by the crops. Nizamabad District's soils are deficient of Sulphur and hence they are responding positively for *Navratna D.A.P.* Hence the crops applied with *Navratna D.A.P.* are giving good yields and quality produces (Food grains, Fruits etc.,)

Uses of D.A.P.

DAP is used as a fertilizer. When applied as plant food, it temporarily increases the soil pH, but over a long term the treated ground becomes more acidic than before upon nitrification of the ammonium. It is incompatible with alkaline chemicals because its ammonium ion is more likely to convert to ammonia in a high-P^H environment. Since there is a tremendous increase

in India's population growth rate and depleting resources of food grains, the challenge to increase agricultural production on a sustainable basis is indeed a formidable one. Heavy removal of nutrients from soil is a consequence of adoption of High Yielding Varieties (HYV) and intensive cropping system. To replenish these, the Indian soils must be applied with fertilizers. Fertilizers contain N, P, K, (Primary nutrients), Ca, Mg, S, (Secondary nutrients) Zn, Mn, Mo, Fe, Cu, Co, (Micro nutrients). These different nutrients will have different vital functions in plants. N, P, K, - the wonder nutrients are supposed to be present in adequate quantities in most of the Indian soils and these nutrients are attributed to play a greater functional role in plant metabolism, vegetative and reproductive growth. These nutrients are being continuously mined by the successive crops of the intensive farming without being adequately replenished to soils. This has led to the situation of soils being deficient in many nutrients resulting in the crops & plants showing respective deficiency symptoms and consequently reduced yields. This leads to the food insecurity problem in India.

ESSENTIALITY OF PLANT NUTRIENTS

Plants, animals and human beings require food for growth and development, this food is composed of certain chemical elements often referred to as plant nutrients or plant-food elements. Since human beings and farm animals consume plant parts in various forms, and thus depend on plants as a source of their growth and development, it would be interesting to know whether the elements essential for plants are also essential for animals and human beings.

Elements Essential for Plants (16) : Carbon, hydrogen. Oxygen, nitrogen, phosphorus, potassium, calcium, magnesium, sulphur, iron, manganese, boron, zinc, copper, molybdenum and chlorine.

Nutrition of Plants and Animals is Interrelated

Proper maintenance of balanced nutrition, better health and proper growth of human beings and farm animals, it is most essential that plants be properly fed with these essential mineral elements. Thus plants must be provided with all these essential elements in easily available form and in sufficient amounts not only for their proper growth and development, but also for their accumulation of the essential elements in proper amounts in various plant parts.

Otherwise human food or animal fodder grown on soils deficient in plant food elements and fed as such without any addition of essential elements, will result in malnutrition and consequent poor growth and development in human beings and farm animals.

OBJECTIVES

The main objective of the study is to find out satisfaction levels of farmers who are using **NAVRATNA D.A.P.** manufactured by **PARADEEP PHOSPHATES LTD., (AN ADVENTZ GROUP COMPANY, Formerly A K.K.BIRLA GROUP COMPANY)**, Levels of satisfaction expressed by marginal, small, medium and major farmers in Nizamabad district of Telanagana State. Dissatisfaction levels of farmers and its causes and to assess the extent of awareness of **D.A.P.** brands marketed by different companies and also to know the fast moving **D.A.P.** brand.

METHODS AND DATA SOURCES

The study was conducted in District Nizamabad, Telanagana, India to find out the satisfaction levels of farmers. For this I have selected 60 farmers from 5 Mandals of District Nizamabad (12 in each Mandals). Farmers are selected at randomly consisting of marginal, small, medium and major land holdings. The information is collected from the farmers through personal interview and questionnaire. And the secondary data is collected from Govt. Dept. such as Krishi Vigyan Kendra, Agriculture & Statistical Depts. of Nizamabad. Statistical tools like arithmetic mean, standard deviation, correlation and regression coefficients and computer soft ware programs like Microsoft Excel etc. are used to conduct study and for calculation of data collected the farmers.

RESEARCH AND DISCUSSION

I have purposively conducted a research with a 60 sample farmers. We have taken different variables to test the Satisfaction levels of farmers who are using Navratna D.A.P. in paddy, ground nut, Maize and Cotton.

Table – 1 : Age and education levels of selected farmers

Profile of farmers (n=60)

SL.NO	Variables Age (years)	No.	Percentage
1	Young (0-30)	10	16.7
2	Middle (31-50)	37	61.6
3	Old (> 50)	13	21.7
4	Un Educated / Illiterate	9	15.0
5	Up to 5 th Class	16	26.7
6	6 th to 10 th Class	23	38.3
7	Up to 12 th Class	8	13.3
8	Graduates	4	6.7

Analysis of age profile:

Table -1 shows that the average age of farmers is found about 40 years and majority of them i.e. 61.6 per cent were belonging to middle age group having age between 31 to 50 years. A small respondents (16.7%) were young below 31 years of age, followed by 21.7 per cent respondents in old age (>50 years) group.

Analysis of Education of farmers:

It is clear from the table that the average education of farmers is found to be primary schooling (i.e 1st to 10th class) and majority of them i.e. 38.3 per cent were studied 6th to 10th Class. Illiterates are 16.7% and Graduates are only 6.7%. Literacy levels are increasing because of primary schools in the villages. But graduates are trying for the jobs in the towns instead of doing agriculture.

Table – 2: Status of land holding of selected farmers

SL.NO	Variables	No. of respondents	Percentage
1	Marginal farmers (< 1 ha)	16	26.7
2	Small farmers (1-2 ha)	23	38.3
3	Semi medium farmers(2-4 ha)	10	16.7
4	Medium farmers (4-10 ha)	8	13.3
5	Major (Large) farmers (> 10ha)	3	5.0
TOTAL		60	100

ANALYSIS

Table – 2 shows that the cultivated land owned by sample farmers. Out of 60 sample farmers 26.7% of them are marginal farmers (< 1 ha), followed by 38.3% are small farmers (1-2 ha), Semi medium farmers(2-4 ha) are 16.7%, Medium farmers (4-10 ha) are 13.3%, and major / Large farmers (> 10ha) are 5.0% respectively. The above analysis shows that majority of the sample farmers are Small farmers (1-2 ha) with a percentage of 38.3%.

Table – 3: Quantity of fertilizers applied by farmers

SL.NO	Quantity of fertilizers	No. of respondents	Percentage
1	Lower than RDF	17	28.3
2	RDF	34	56.7
3	Higher than RDF	9	15.0
TOTAL		60	100

*RDF =Recommended dose of fertilizers

The below Figure shows the Graphical representation of Number and Percentage of farmers who are applying fertilizers in different dosages

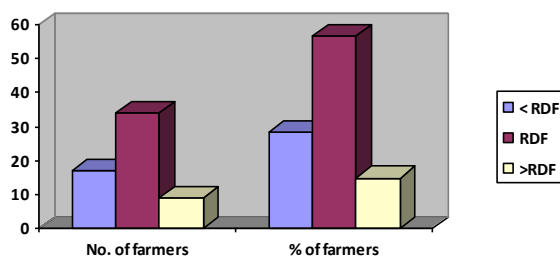


Table -3 shows that 28.3% of farmers are applying fertilizers lower than Recommended dose of fertilizers (RDF), 56.7% of farmers are applying Recommended dose of fertilizers (RDF) And 15.0% of farmers are applying fertilizers Higher than Recommended dose of fertilizers.

Table-4:Satisfaction levels of farmers using Navratna DAP compared to other brands of DAP

SL. NO	Variables	Navratna DAP	Percentage	Other brands of DAP	Percentage
		No. of respondents		No. of respondents	
1	Low levels of Satisfaction	7	11.7	18	30
2	Medium levels of Satisfaction	22	36.7	31	51.67
3	High levels of Satisfaction	31	51.7	11	18.33
		60	100	60	100

SUMMARY AND CONCLUSION

The current study “*Satisfaction levels of farmers who are using Navratna D.A.P*” in Nizamabad District, Telangana, India concludes that the most of the farmers are motivated towards the higher yields of crops as well as economic accomplishment.

After reviewing the results of the present study, it could be concluded that satisfaction level of farmers who are using Navratna D.A.P., to their crops like paddy, ground nut, Maize and Cotton depends on the yield of crops after harvesting as well as on the packing, stitching of bags, granules size, availability of *Navratna D.A.P.* in the market.

The overall study shows that the 88.3% of the respondents of are satisfied and 11.7% are showing low levels of satisfaction with *Navratna D.A.P.* Since the study is conducted in the areas of strong hold of *Navratna D.A.P.*, the results are accurate. The company has to focus on the untapped areas also to increase their market share in the Nizamabad District.

IMPLICATION INCLUDING RECOMMENDATIONS

I have recommending that the Paradeep Phosphates Ltd will ensure that the 11.7% of the farmers who are having low levels of satisfaction will be taken care.

- Company has to initiate to take right steps for better packing, stitching of bags, granules size, availability of *Navratna D.A.P.* in the market.
- Free soil testing campaign should be undertaken to test the fertility status of the Nizamabad soils and give correct dose and dosages of fertilizers to the respective crops.
- Soil testing and correct fertilizers recommendation will reduce the cost of cultivation in all crops. So that the income levels of farmers will increase along with their satisfaction levels.
- A consistent and continuous supply of *Navratna D.A.P.* even to the remote rural areas at all times creates the confidence among farmers on the company and product.
- To cope up with the changing market scenario the “*modus operandi*” (Mode of operation) of the company must change in accordance with the competition. Company has to initiate steps to advise the farmers to adapt the practice of green manuring, Integrated nutrient management (I.N.M.). Company has to setup a farmers’ service cell to facilitate with farmers for Crop loans, Tractor loans and crop insurance coverage schemes. This type of free services will attract the farmers towards the company by creating trust among the farming community of Nizamabad District in Telanagana, India.
- Village adoption schemes like free medical checkup, veterinary campaign should be carried out to provide free services to the rural people. It buildup the faith on the company that these company people are not *fly by night* people. The service provided will develop a relation between farmers and company. So the strong bond developed between farmers and Paradeep phosphates Ltd will also increase the satisfaction levels of farmers.

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A Study On Human Rights And Workers Legal Rights: Human Relations Perspective

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ABSTRACT

Human Resource Management (HRM) is a relatively new approach to managing people in any organization. People are considered the key resource in this approach. It is concerned with the people dimension in management of an organization. Since an organization is a body of people, their acquisition, development of skills, motivation for higher levels of attainments, as well as ensuring maintenance of their level of commitment are all significant activities. These activities fall in the domain of HRM. Human Resource Management is a process, which consists of four main activities, namely, acquisition, development, motivation, as well as maintenance of human resources.

Workers' rights are human rights: "When their rights are violated, when they are marginalized and excluded, migrants will be unable to contribute either economically or socially to the societies they have left behind or those they enter. However, when supported by the right policies and human rights protections, migration can be a force for good for individuals as well as for their countries of origin, transit, and destination." (U.N. Secretary General Ban Ki-moon, Message for International Migrants Day, December 18, 2011)

Objectives of the Study:

1. To know the Human Relations Perspective at work place
2. To observe the attitude towards the worker rights and working conditions at work place
3. To know the knowledge levels of workers in understanding the Legal Rights and human rights

Research Design & Type of Study: *The study was adopted descriptive research design based on secondary data sources and used nominal statistical tools.*

Key Words: *Human Rights, Legal Rights of Workers, Human Relations Perspective, Worker*

INTRODUCTION

Human Relations Perspective in Management

The human relations perspective is a way to manage a corporation where the employees are viewed as social beings with complex needs and desires as opposed to just units of production. It is based on the works of Abraham Maslow and Douglas McGregor in the mid twentieth century. This perspective places an emphasis on the social networks found in a corporation and uses gratification, not deprivation, to provide motivation in the workplace.

The human relations perspective developed in the mid twentieth century and was an extension of the behavioral viewpoint. Prior to the behavioral, almost all management was looked upon through the classical viewpoint. This viewpoint specifically focused on how to create higher efficiency through technical processes with little regard to the social aspect of work. It wasn't until after the Hawthorne experiments that people began to realize that the happiness of the worker has a major effect on overall productivity. The experiment began as a test on the effects of different working environments on productive.

THE HUMAN RELATIONS APPROACH

Theory accounting for relations among management, frontline staff, and clients is the human relations school. It emphasizes that the job requirements and the conditions of work have profound psychological consequences on staff, especially in terms of their ability to fulfill their own needs (ranging from physical to self-actualization). These, in turn, influence their attitudes toward their work and their coworkers and ultimately affect how they perform their jobs (Porter, Lawler, & Hackman, 1975). The underlying assumption is that organizational effectiveness is a function of the complementarity and congruency between the goals of the organization and the personal needs of the workers (Argyris, 1962). There is an accompanying assumption in the human relations school that states that the nature and quality of the organization's leaders is an important determinant of the performance and job satisfaction of their subordinates (see Schmid on leadership, this volume). Glisson (1989) showed that the power, maturity, and intelligence of the leader influence workers' commitment to the organization. In general, it is assumed that leadership that promotes a democratic atmosphere in the organization will improve workers' productivity.

The human relations approach is particularly important in the human services because it is assumed that the attitudes of the staff to their work situation and their co-workers will have direct consequences on how they relate to their own clients. Trust, positive values, and caring emotions are assumed to be determined by how workers feel about their work, how their self-actualization needs are being met, and how the organization facilitates and supports their work. Perhaps because client-worker relations are central to human service effectiveness, much research from the human relations perspective has been done in the human services. Some research on human service workers finds that role conflict and lack of support from colleagues and supervisors are the main determinants of burnout (Maslach&Schaufeli, 1993). Workers who experience burnout become detached and withdrawn from their clients; postpone client contacts; and assume cynical, negative, and inflexible attitudes toward them. Participatory management, often recast in the human services as the empowerment of workers, has been shown to contribute to organizational effectiveness (Whiddon& Martin, 1989).Guterman and Bargal (1996) found that there is a relationship between the sense of empowerment social workers feel and their perceptions of service outcomes. Keller and Dansereau (1995) argue that empowering leadership aligns subordinates in accordance with the preferences of supervisors. Glisson(1989) showed that the more workers perceive their leaders to have power and maturity, the greater their commitment to the organization. The research on burnout does seem to support the notion that job satisfaction is associated with jobs that provide autonomy, participation, challenge, promotional opportunities, and financial rewards (see Jayaratne& Chess, 1983; Pines & Aronson, 1988).

The linkage between the well-being of the staff and of the clients is an important contribution of the human relations approach. As noted in the previous chapter, the core work of human service organizations occurs through client-worker relations, and undoubtedly, the quality of these relations is influenced by the morale and job satisfaction of the workers. There is also good evidence to suggest that job satisfaction is influenced by the nature of the task and by an organizational culture that is constructive (i.e., promotes positive proactive behavior and encourages interactions among the workers that meet higher satisfaction needs; see, e.g., Glisson& James,2002; Whiddon& Martin, 1989). Indeed, applied to caseworkers in child welfare and juvenile justice, an organizational intervention known as Availability, responsibility, and Continuity (ARC), which relies on human relations strategies such as teambuilding, participatory decision making, conflict resolution, feedback system, and job redesign, has been shown to reduce staff turnover, role conflict, overload, emotional exhaustion, and depersonalization(Glisson, Dukes, & Green, 2006).Nonetheless, the human relations app -roach suffers from some fundamental limitations, mostly because its level of analysis is social-psychological. The organization is still viewed as a closed system, and the political, economic, and institutional dimensions of the macro-environment are ignored. Consideration of the impact of the environment on structure and processes is relegated mainly to the recognition that leaders and workers bring into the organization their own personal dispositions and predilections.

Furthermore, although the model places importance on worker-client relations, it is silent on the moral choices that underlie the service delivery system and the specification of desirable outcomes. Most problematic is the potentially misplaced emphasis on the psychological needs of the workers and on democratic participation as determinants of organizational effectiveness.

These factors may pale in the face of strong environmental factors such as political and economic constraints. It is hard to imagine, for example, that democratic participation is going to significantly alter those features of the welfare department that workers find especially alienating, such as extensive paperwork, inability to respond to the many dire needs of the applicants, pressure to reduce error rates, low wages, and poor working conditions. Nor is it always possible, given the nature of the technology of the organization, to create job conditions that provide for autonomy, creativity, and promotional opportunities. Indeed, the ARC intervention failed to change organizational culture that reflects more enduring structural features of the organization (Glisson et al., 2006). Similarly, studies of home care workers indicate how the inherent attributes of the work itself—low skill, part-time, isolated—coupled with poor wages and benefits create low morale and high turnover. Moreover, demonstration projects to improve the conditions of homecare work through job enrichment and training and supervision, although are having beneficial results, ultimately failed to alter the organization of home care work because of the basic economic and political forces controlling the home care industry (Feldman, 1990). Ironically, the democratic ideology reflected in the human relations approach could act as a tool of domination by shifting attention from broader conditions of in -equality in the organization to interpersonal relations.

Human Rights:

The principle of universality of human rights is the cornerstone of international human rights law. This principle, as first emphasized in the Universal Declaration on Human Rights in 1948, has been

reiterated in numerous international human rights conventions, declarations, and resolutions. The 1993 Vienna World Conference on Human Rights, for example, noted that it is the duty of States to promote and protect all human rights and fundamental freedoms, regardless of their political, economic and cultural systems.

All States have ratified at least one, and 80% of States have ratified four or more, of the core human rights treaties, reflecting consent of States which creates legal obligations for them and giving concrete expression to universality. Some fundamental human rights norms enjoy universal protection by customary international law across all boundaries and civilizations. Human rights are inalienable. They should not be taken away, except in specific situations and according to due process. For example, the right to liberty may be restricted if a person is found guilty of a crime by a court of law.

Human rights are rights inherent to all human beings, whatever our nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. We are all equally entitled to our human rights without discrimination. These rights are all interrelated, interdependent and indivisible.

Universal human rights are often expressed and guaranteed by law, in the forms of treaties, customary international law, general principles and other sources of international law. International human rights law lays down obligations of Governments to act in certain ways or to refrain from certain acts, in order to promote and protect human rights and fundamental freedoms of individuals or groups.

Interdependent and indivisible

All human rights are indivisible, whether they are civil and political rights, such as the right to life, equality before the law and freedom of expression; economic, social and cultural rights, such as the rights to work, social security and education, or collective rights, such as the rights to development and self-determination, are indivisible, interrelated and interdependent. The improvement of one right facilitates advancement of the others. Likewise, the deprivation of one right adversely affects the others.

Equal and non-discriminatory

Non-discrimination is a cross-cutting principle in international human rights law. The principle is present in all the major human rights treaties and provides the central theme of some of international human rights conventions such as the International Convention on the Elimination of All Forms of Racial Discrimination and the Convention on the Elimination of All Forms of Discrimination against Women.

The principle applies to everyone in relation to all human rights and freedoms and it prohibits discrimination on the basis of a list of non-exhaustive categories such as sex, race, colour and so on. The principle of non-discrimination is complemented by the principle of equality, as stated in Article 1 of the Universal Declaration of Human Rights: "All human beings are born free and equal in dignity and rights."

Both Rights and Obligations

Human rights entail both rights and obligations. States assume obligations and duties under international law to respect, to protect and to fulfill human rights. The obligation to respect means that States must refrain from interfering with or curtailing the enjoyment of human rights. The obligation to protect requires States to protect individuals and groups against human rights abuses. The obligation to fulfill means that States must take positive action to facilitate the enjoyment of basic human rights. At the individual level, while we are entitled our human rights, we should also respect the human rights of others.

CLASIFICATION OF LABOUR LAWS IN INDIA: Labor Laws may be classified under the following heads:

I. Laws related to Industrial Relations such as:

- Trade Unions Act, 1926
- Industrial Employment Standing Order Act, 1946
- Industrial Disputes Act, 1947

II. Laws related to Wages such as:

- Payment of Wages Act, 1936
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965.
- Working Journalists (Fixation of Rates of Wages Act, 1958

III. Laws related to Working Hours, Conditions of Service and Employment such as:

- Factories Act, 1948.
- Plantation Labour Act, 1951.
- Mines Act, 1952.
- Working Journalists and other Newspaper Employees' (Conditions of Service and Misc. Provisions) Act, 1955.
- Merchant Shipping Act, 1958.
- Motor Transport Workers Act, 1961.
- Beedi & Cigar Workers (Conditions of Employment) Act, 1966.
- Contract Labour (Regulation & Abolition) Act, 1970.
- Sales Promotion Employees Act, 1976.
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- Dock Workers (Safety, Health & Welfare) Act, 1986.
- Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996.
- Building and Other Construction Workers Welfare Cess Act, 1996
- Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981
- Dangerous Machines (Regulation) Act, 1983
- Dock Workers (Regulation of Employment) Act, 1948
- Dock Workers (Regulation of Employment) (Inapplicability to Major Ports) Act, 1997
- Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993
- Industrial Employment (Standing Orders) Act, 1946
- Mines and Mineral (Development and Regulation Act, 1957
- Plantation Labour Act, 1951
- Private Security Agencies (Regulation) Act, 2005

IV. Laws related to Equality and Empowerment of Women such as:

- Maternity Benefit Act, 1961
- Equal Remuneration Act, 1976.

V. Laws related to deprived and Disadvantaged Sections of the Society such as:

- Bonded Labour System (Abolition) Act, 1976
- Child Labour (Prohibition & Regulation) Act, 1986
- Children (Pledging of Labour) Act, 1933

VI. Laws related to Social Security such as:

- Workmen's Compensation Act, 1923.
- Employees' State Insurance Act, 1948.
- Employees' Provident Fund & Miscellaneous Provisions Act, 1952.
- Payment of Gratuity Act, 1972.
- Employers' Liability Act, 1938
- Beedi Workers Welfare Cess Act, 1976
- Beedi Workers Welfare Fund Act, 1976
- Cine workers Welfare Cess Act, 1981
- Cine Workers Welfare Fund Act, 1981
- Fatal Accidents Act, 1855
- Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976
- Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Fund Act, 1976
- Limestone and Dolomite Mines Labour Welfare Fund Act, 1972
- Mica Mines Labour Welfare Fund Act, 1946
- Personal Injuries (Compensation Insurance) Act, 1963
- Personal Injuries (Emergency Provisions) Act, 1962
- Un Organized Workers' Social Security Act, 2008.

Conclusion

The need for relief workers to increase their knowledge and understanding of human rights standards arises from at least two factors: (i) the need to be accountable, and hold others accountable, to existing standards which recognize humanitarian rights; and (ii) the corresponding possibilities for

more focused and effective advocacy at all levels on humanitarian issues. It is legitimate to see the provision of humanitarian relief as part of a spectrum of human rights activity. But assistance activities have too often been conducted without an analysis of the protection issues which often make such assistance necessary in the first place. Protection activities relate to the whole spectrum of rights which guarantee physical, economic, social and political security. Assistance activities are concerned with the fulfillment of physical and economic needs at one end of this spectrum; but as was argued in an earlier section, the full fulfillment of these subsistence rights may be dependent on the recognition of social, legal and political status and the rights that go with it – as a civilian, as a refugee, as a woman, as a worker, as a child, and so on. The two cannot be divorced. Relief agencies should be held accountable for the protection implications of their work, just as they are increasingly being asked to demonstrate the beneficial impact of the relief assistance provided. But that accountability should probably be limited to the obligation to eliminate or mitigate the potential negative protection consequences of their interventions. They are at present answerable to no-one in this respect. The following recommendations for action follow from the argument of this paper:

1. An assessment of needs should always include an assessment of protection needs –including issues of civil and legal status as well as physical and economic security. How people's rights are threatened, who is the responsible authority, and what steps can be taken to ensure that protection is given?
2. Following on from this, it is suggested that given the potential negative implications for people's protection of providing relief assistance, agencies should work to the following principle: an assessment should always be made of the protection implications of providing relief in a particular form in a given context; and steps taken to minimize the potential negative side effects for the target population posed by such intervention. This may, ultimately, involve a decision not to intervene.
3. The ability to make a general assessment of protection needs assumes a basic grounding in the relevant legal standards (international and national) as well as familiarity with the relevant structures and responsibilities. The need for appropriate training follows from this. Training should involve materials which relate to situations that relief workers will actually face in the field.
4. People need information about their own rights. New ways need to be explored by which people can be helped to pursue advocacy on their own and others' behalf. Leaflets, advice centers, formal training, etc. may all be part of this.
5. As well as understanding the basic principles of human rights, and the legal standards which reinforce them, relief workers should understand the specific role and formal mandate of agencies like UNHCR and the ICRC. Though not always described in these terms, their mandates are intrinsically concerned with the protection of human rights. This may imply the need to relate rather differently to these agencies, and in particular to recognize the significance of their protection role and of their negotiating status. It is suggested that insufficient recognition is given to – and use made of – these existing channels by those relief agencies concerned with human rights advocacy. Their mandates are weakened as a result.
6. Complementing the relevant legal provisions are a number of codes of conduct, declarations, working principles and similar, which seek to regulate the way in which relief is delivered, the conditions attached to the provision of relief, minimum technical standards, and minimum humanitarian standards that ought to be universally applied. Some of these are already quite well established, others are currently being evolved. They deserve to be more widely known and applied by humanitarian agencies. The following should be mentioned:
 - (i) The Red Cross / NGO Code of Conduct
 - (ii) The Turku Declaration on Minimum Standards (1991)
 - (iii) (Under development) minimum technical and general standards for relief provision, under the auspices of the Steering Committee for Humanitarian Response and Inter Action.
 - (iv) Various context-specific initiatives, of which those in South Sudan and in Liberia have been mentioned above, which seek to apply some form of human rights conditionality to the provision of relief assistance – or to incorporate minimum protection standards – in negotiation with the controlling authorities.

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Changing nature of work, worker, workplace and employment

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Introduction

Change is inevitable. A work, worker, workplace and even employment have to undergo change according to the changing needs and requirement for the purpose of existence, survival and for growth purpose. Time to time, the change takes place. The work workers workplace and employment are the dependent variables on the ultimate objective of the business organization. Not only a predetermined objective but even any change in the objective of organization ultimately mandates to undergo with a change for all the stated variables. A change in the objective of organization sometimes calls for a change in the methods of work to be performed, modified method of work at times even forces to undergo behavioral changes in the workers because sometimes a methodology adopted to perform a task not only requires a technically expert workforce but a good team who can not only perform the task perfectly but also survive and maintain a congenial relation with 360°.

Objectives of the study

- * to find out the independent variable which plays a major role in order to influence the dependent variables such as work, workers and workplace.
- * to find out the nature of correlation existing between the selected dependent and independent variable.
- * to suggest necessary measures to undergo with change required phenomenon for the purpose of peace harmony and success.

Scope of the study

- * The scope of the study is restricted to 1 selected institution working environment
- * The scope of study is confined to the three dependent variables (work, worker and workplace) only which has a responsiveness toward a change in the independent variable (objective of any business organization)

Methodology of the study

Source of data

The study is purely based on two important primary sources viz., personal observation method and group discussions method

Tools and techniques used

In the study I have used two types of tools. i.e., questioner and point rating scale

Data analysis and interpretation

In the study I have taken in to consideration the live working atmosphere in a college institution consisting of 6 member staff in a particular department and I have presented my view on a topic after a thorough observation and recalling my personal experiences during 3 years period of time, where I have found a continuous changes in three important variables. Those are: Work, Worker & Workplace.

I have classified my study in three phases on the basis of personal observation on my work place within the period of two years and I have named these three phases as survival phase, existence phase and growth phase.

SURVIVAL PHASE: I call this time period as a survival phase, because it was a time period when the concerned course in a college was newly launched and because of this reason the staff and department was newly appointed. This phase has run for one year, where the basic objective of the institution is to promote the course, college and department. This objective is assigned to the staff. The staff is more

active and primarily taking necessary care toward promoting the course and department. The basic groundwork on this task is found in the necessary care taken to work towards following major activities

- * Maintaining and improving internal marks of students of this batch.
- * Working hard toward sustaining the job.
- * Surviving in the under construction staff room and unfurnished classes etc.

During completion of the first phase I observed that 6 member staff was satisfactory for the staffroom allocated to them, classrooms allocated for lectures and I have found that faculties are psychologically boosting students positively toward the atmosphere in class. And not dissatisfied with their low paid salaries.

EXISTANCE PHASE: The objective set up by institution towards promoting the course and department was found to be reached by the commitment of staff and all the forces. And then I found a change after the first phase period and hence I named it as existence phase. I consider it as second phase because I have found a change in the objective of Institution. The institution has changed the objective slightly and the objective was to advertise the college and course, to fill up the increased seats in the course during second phase and to improve the results. During this phase to meet the objective I have found staff coming close and working as a team. During this phase I have observe that staff was concentrating and demanding for following.

- * Tightening the internal assessment by way of improving the standards of assessment to the students.
- * A fully constructed class rooms and structured staff room
- * Appeal for seminar hall and digital library etc.

The staff has come close as a team and took initiative toward advertising the course and their efforts have ripped benefits and this has resulted in to fulfillment of 78 percent of increased seats.

GROWTH PHASE: the objective set up in the previous phase was reached and praised by the institution. In the next academic year I have found a interesting change in the objective set up by institution. The objective for the academic year was growth in student's performance and development in faculty's teaching career. Once this objective was set up. I have found that the some staff was enthusiastically and sum staff was forcefully involved in –

- * Vesting their interests in participating and presenting national and international seminars, boosting students and involving them to prepare and present papers in seminars.
- * Attending workshops
- * Attending faculty development programs

During this phase 20 percent of the total staff was PhD enrolled, 2 faculties were NET, SET qualified and 1 faculty qualified JRF. Remaining staff was trying to improve their performance. And then in this phase I found staff was demanding for the increment in their salary.

Thus in all the tree phases I found objective as a bases independent variable which has a impact on the other variables such as work assigned, workers (STAFF), workplace and employment. In all the above three phases the objective was proven as a independent variable which has impact on the 3 dependent variables. I fount change in the objectives of institution from time to time as 1 factor which is commanding a change in the other important variables.

Findings

The first objective set up by the institution is to promote the course, college and department. This has resulted in –

- a) Maintaining and improving internal marks of students of this batch.
- b) Working hard toward sustaining the job.
- c) Surviving in the under construction staff room and unfurnished classes etc.

This signifies a change in Work methodology, workers participation and adjusting according to the situation in a work atmosphere.

During the second phase the new objective was to advertise the college and course, to fill up the increased seats in the course during second phase and to improve the results, this has resulted in

- a) Tightening the internal assessment by way of improving the standards of assessment to the students.
- b) A fully constructed class rooms and structured staff room
- c) Appeal for seminar hall and digital library etc.

This also signifies a change in a work methodology, workers participation and workplace / work atmosphere in comparison to the first phase stated in above finding.

The objective for the third academic year was growth in student's performance and development in faculty's teaching career. This has resulted in –

- a) Vesting their interests in participating and presenting national and international seminars, boosting students and involving them to prepare and present papers in seminars.
- b) Attending workshops
- c) Attending faculty development programs

During this phase, 20 percent of the total staff was PhD enrolled, 2 faculties were NET, SET qualified and 1 faculty qualified JRF. Remaining staff was trying to improve their performance. And then in this phase I found staff was demanding for the increment in their salary.

This also signifies a major and remarkable change in a work methodology, workers participation and workplace / work atmosphere in comparison to the first phase and second phase stated in above findings.

* In the study during first phase I have found that the dependent variables are positively responding to objective. i.e., every effort was undertaken. Where as in the second phase also the dependent variables were positively correlated where as in case of third phase also the independent variables are positively correlated but then the demand was increased from all the dependent variables.

The Changing Nature Of Work & Its Effect On The Labour Market In India

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Abstract

The paper commences with a historical perspective on how the nature of work has changed since the industrial revolution, through the lenses of Marx's Elements of the Labour Process and Braverman's Labour Process Theory. From pre-industrial 'putting out' through Taylorism, Fordism & finally Toyotism, the changing nature of the control exerted by Capital on Labour is delineated. From the initial state of home manufacture to the institution of the Division of Labour, we observe the beginning of the alienation of the worker. With mass production came the rationalization of work process that was Taylorism and the de-skilling of workers that resulted from such regimentation and micro-management of the work process. Braverman's Labour Process Theory is employed to examine workplace relations in the age of Fordism, which were marked by a grudging compliance on the part of workers, and a new breed of professional managers had to implement strict command-and-control measures to monitor, discipline and punish the workforce. Fordism has now given way to Toyotism - the Japanese philosophy of Lean Manufacturing and a replacement of overt control by "Manufacturing Consent," Buroway's hypothesis that management now controls labour by treating activities on the shop floor as a series of games in which shop floor operators attempt to achieve pre-set levels of output. This not only allows them to earn incentives but also tends to dissolve the tendency to class conflict in the workplace since operators must cooperate with their supervisors and managers to achieve targets.

In the second section- the work environment in India- the impact of global competition on the Indian labour market is explored. An analysis is conducted (using Veltmeyer and Petras' concept of Multiple Polarities) of the various pressures that influence India's policy on Labour, especially the competing pressures of the ILO to institute an International Labour Standard and the WTO/IMF/India inc. lobby which seeks a dilution of India's labour legislation. The recommendations of the Second National Commission on Labour are examined and their impact assessed.

An analysis is conducted into whether an acceptance of the NCL's recommendations would redound to the benefit of Labour or industry.

The Lewis model in conjunction with the National Sample Survey Office's (NSSO) reports on Employment and Unemployment in India are employed to assess India's current labour market and decide whether labour market flexibility will truly increase competitiveness in today's scenario. It is concluded that the GDP growth has been largely jobless, the few jobs created being in sectors with a dismal quality of work. A further dilution of the labour laws will only serve to denude the safety valve of organized labour and lead to a crystallization of class consciousness, similar to the process described by EP Thomson in industrializing Britain.

Next, looking at the perspective of Industry, the effect of the wage rate on the profitability of a firm is examined using Debdas Bannerjee's multiple regression exercise, which shows that wages have almost no correlation with competitiveness in global markets. It is also demonstrated that the North and the South usually trade in different sectors or in different positions of the value chain in the same sectors. Competition from the OECD economies, therefore, is limited and is not a viable reason for labour deregulation. Another reason- that a more 'flexible' labour market attracts Foreign Direct Investment (FDI) to the country - is examined by reiterating Joseph Stiglitz's distinction between productive investment and "hot money." UNCTAD World Investment Reports demonstrate that for all the structural adjustments in developing countries, there has been no change whatsoever in the pattern of FDI distribution since the 1980s. It is concluded therefore that the case for dilution of India's labour laws can simply not be sustained. It is only by a symbiotic work regime that Indian Labour and Industry can take advantage of globalization without running the risks of instability and insurrection.

Historical Perspective of the changing nature of the Labour Process

Before the development of 'manufacture' in west Europe, production was organized in the house of the producers, either independently or under the 'putting-out' system. It was based on rudimentary technology that did not need a detailed division of labour. The worker had total knowledge of his work and the skills required to produce the commodity, with the merchant mainly supplying the raw materials.

"There was unity of conception and execution in the labour process because the worker had to decide when to work, how to work and how much to work."(Nag 4837)

The Division of labour in society has attracted significant interest among economists and sociologists ever since Adam Smith's famous description of the making of a pin (Smith 4) The academy, however, has almost entirely ignored the social process of production – the actual hierarchies and structures on the shop floor that induce men and women to engage in creating surplus value. These issues are generally left to shop floor managers to sort out on an ad-hoc basis.

Marx postulated the simple elements of the labour process as "1) The purposeful activity, i.e. the work itself 2) The object on which that work is performed and 3) The instruments of that work"(Marx 284)

I propose in this section to briefly examine the changes in labour processes since the "Age of Capital" (Hobsbawm), and examine the effect of these changes on the worker. It is one of the tragic ironies of capitalism that the creations of new technologies which simplify the labour process often have the effect of degrading the worker.

The spreading of the Industrial revolution saw the conditions of labour being degraded to breaking point. By the beginning of the nineteenth century, workers- including children- were worked all night, all day or both. Under pressure from Labour, Parliament passed five Labour Laws between 1802 and 1833 but took no interest whatever in their implementation and they remained a dead letter. The Factory Act of 1833, which restricted the freedom of capital to exploit adult labour power to the shocking extent of limiting the working day to 12 hours, was easily subverted by Capital due to lackadaisical inspection regimes.

While subsequent factory acts did bring in small improvements, the Ages of Capital(1848-1875) and Empire(1875-1914) saw an almost unbridled exploitative mechanism being institutionalized in the West, which lost little time in exporting this model to their colonies. Robert Boyer, as part of his Regulation Theory, described the period from 1850 to around 1900 as characterized by an "extensive mode of regulation", - low productivity gains, an important part of the output dedicated to equipment, and high competition.

With the onset of mass production, and Boyer's phase of "intensive mode of regulation without mass consumption" (1900-1930), however, the nature of work changed. While the work day was shortened, mass production made the disciplining and regimenting of labour process all the more essential and Frederick Taylor's principles began to rule the intellectual roost right. The workers very movements were pre-ordained into pre-defined movements called therbligs

It is often pointed out, in defense of Taylorism in general and the Division of Labour in particular that this division is seen in nature as well- in an ant colony or a bee hive. This critique is pre-empted by Marx, who is careful to distinguish between the Social Division of Labour (which is inherent in man's nature) and the manufacturing Division of Labour(which is imposed by capitalism). It is interesting to note how popularity of Emile Durkheim's *The Division of Labor in Society*, which conflates these two ideas, "has grown as its applicability to the modern world has diminished." (Braverman 51)

The Taylorist system was updated(some would say replaced) around 1918 by Fordism with standardized products in huge volumes using special purpose machinery and unskilled labor. Until the 1970s, Taylorism and Fordism were almost never seriously challenged, merely updated now and again (cf Dunlop & Kerr, *Industrialism & Industrial Man*, 1960)

The great break in this complaisant intellectual atmosphere came with the publication, in 1974, of *Labor & Monopoly Capitalism*, the seminal work which was to spark what became the Labor Process debate. The author, Harry Braverman, was uniquely positioned to delve into to otherwise occult zone of the workplace. Apart from being a steel worker, he was also an activist and a socialist intellectual and thus

possessed both the practical experience of working on a shop floor as well as the intellectual apparatus to theorize about his work.

Braverman observed that the process of deskilling by breaking down tasks into smaller components enabled the owner to dissociate the actual work from the conception of the worker. Since no one but the manager understood the entire process, he could use his monopoly over knowledge to micro-manage and control every step of the process.

Taylor's principles, Braverman argued, had the effect of cheapening labour since the machines were now run by people with fewer skills and these could be purchased in the exact quantity desired by the owners.

Critiques of Braverman are from Friedman and Burawoy, who argue that deskilling was necessary for controlling the labour process under competitive capitalism. But under monopoly capitalism, deskilling is no longer necessary for control; control on labour process can be achieved by adopting "responsible autonomy"[Friedman 1977] or through "manufacturing consent" [Burawoy 1979] that does not require deskilling of labour.

Burawoy proposes that workers consent to exploitative capitalist relationships by treating activities on the shop floor as a series of games in which shop floor operators aim to reach levels of output. Such games enable these workers (within the piece-rate system) to earn incentive pay but also put in place a framework for evaluating the production activities and social relations that arise from the organization of work. The need for workers to play games also tends to reduce class conflict between workers and management, since they must cooperate with each other to fulfill their job tasks - workers to make their rate or better it (called "making-out"), and management to meet production deadlines and generate profits for the company. Burawoy, points out, however, that this system, entirely hinged on making-out, creates certain unanticipated new tensions. While inter-class struggles diminish, intra-class squabbles divide workers further as, for example, operators and ancillary workers feud over their divergent individual interests in making-out. Burawoy predicts that the competitive pressures from piece-rate work will lead to the decline of organized, collective conflict on the shop floor. "Put differently, these games generate the consent to rules and expenditure of effort that enable capitalist society to collectively organize workers by bringing them together to work, under fundamentally exploitative circumstances, and realize profits without political challenge." Zabala (283)

The modern world has seen Fordism been replaced by Toyotism, the Japanese method of Lean manufacturing, which is billed as providing solutions to the twin problems of profitability and labour relations. The real effect of Toyotism, however, has been as follows -

"As workers tended to be unionized in the big plants, lean production, with reduced staff at the core, meant reduced resistance, lower wages and fewer social benefits"(Bannerjee 31)

It is also interesting to note how the command and control structures on the shop floor have changed. While Capital has always been able to 'persuade' Labour to give of its surplus, the Workplace relations in the age of Fordism were marked by a grudging compliance on the part of workers, and that "management's success in ending delegated control has not always been matched by the totally successful application of rationalized control." (Gurdon 141) Toyotism has replaced this overt control by manufacturing consent among the workers. Under the pressure of global competition, Toyotism is being imported wholesale into India. Lean manufacturing, however, makes certain demand of its workforce. For one it is in conflict with the concept of an un-dismissible standing army of permanent workers, which the Industrial Disputes Act has created in every factory. Hire & Fire rights are a must, the concept of strikes and industrial action are totally alien and the very idea of a fixed working day is a hangover from a pre-modern past.

With the WTO/IMF/World Bank regime successfully 'persuading' the South to adopt the Washington Consensus (Deregulation, Trade & Financial Liberalization & Privatization), Labour market 'flexibility' is an added bonus to industry. The Second National Commission on Labour reflects the new outlook towards labour – it attempts to change in the organised sector are not simply the labour laws but also the conception of the worker by invoking the aspect of "work culture". As against the "rights" being legally guaranteed by the NCL, "work culture" requires that workers should stand ready to exert labour of any asked amount, in whatever form required and with the greatest possible intensity (productivity). The days of rights without responsibilities are over.

In the remainder of this paper, I propose to examine to what extent India should adapt its economy to these standards. Should we follow the example of China, which has abridged workers' rights to the extent of recreating wage slavery at its nineteenth-century worst? Or should we follow the "high road" to progress, fighting to bring down costs not by rationalizing labor costs but by raising productivity?

The Labour Market in India

In the West, the issue of International Labour Standards was, until the 1990s, a pretty straightforward one. The Right and the mainstream discourse was strongly against them (labour standards should be set by the free market, not by government) while the left-of-centre parties advocated them, or at least paid lip-service to them. With the booming GDPs of the Asian Tigers, however, a split was observable in the Right. A double standard was now advocated- a hands-off approach for the domestic economy and an interventionist policy for the developing world.

The argument from the OECD point of view runs thus- the high labour standards in the West come at a cost to competitiveness. If comparable standards are not introduced in the developing world, Western goods will cease to be able to compete in the international market. This would permit Western capital to threaten labour, under pain of outsourcing, to accept cuts in Labour Standards. This would lead to a race to the bottom, with both the OECD countries and the Southern block falling over each other to increase competitiveness by abridging worker's rights.

On the other hand, however, there is the view- especially amongst American manufacturers- that this is by no means undesirable. Bringing down the domestic costs of labour for the near future was well worth taking a hit in competitiveness for.

The reality, occluded by the misleading Conservative/Liberal divide is that this issue is settled as always by competing factions of capital. As James Petras & Peter Veltmeyer point out, Globalization creates multiple overlapping polarities; It is not just the international polarization (the global North pitched against the South) but also inter-class polarization (Labour vs Capital) and intra-class polarization (Export vs. Domestic Capital) (Veltmeyer 31). In the US, the Export lobby is pitched against the Domestic lobby, the former campaigning for Liberalization and Deregulation while the latter pitching for Protectionism at home and an enforcement of International Labour Standards everywhere (except in the US). US Presidents, Congresses and thereby policies lean one way or the other depending on the source of campaign funds.

As the United States (and, to a lesser extent, the OECD countries), through the agency of the IMF and the WTO, is enormously influential in deciding the economic policies of the Developing world, the policies of the Indian government too have been subject to these shifts in power. Naturally the pressure from the IMF and the WTO is often countered/ supplemented by India's own Domestic and Export lobbies.

It is the various leanings and counter-leanings of these powerful interest groups that decide the labor policy of the government of India. Lately, with the development of the Indian middle class and the consequent explosion of the domestic market in India, the domestically oriented producers have been enriched enormously. Consequently, the Indian government is firmly on the trajectory of dismantling India's relatively robust Labour Legislation. The Second National Commission on Labour reflects the new outlook towards labour – it attempts to not simply the labour laws but also the conception of the worker by invoking the aspect of "work culture".

According to the NCL, "work culture" requires that workers should stand ready to exert labour of any asked amount, form and intensity.

The "rights" of workers to have access to a "fair" wage and "minimum social security" must be offset by a return in terms of maximum possible productivity they will deliver to the capitalists. That is, in NCL's understanding, "the days of invoking the workers' rights per se are over." (Chakrabarti 1958)

Any kind of labour actions such as "go slow" and "work to rule" would also come under the "act of misconduct" (6.41). All such acts of misconducts are seen as social evils by NCL and the "strong arm

of the state" is recommended to ensure that severe penalties on the workers and their organisations are imposed as deterrence (6.45, 6.46).

Additionally, the report grants nearly unfettered right to close establishments that employ up to 300 workers.(as opposed to the 100-worker limit of the IDA(V-B)), beyond which closure requires permission from the Appropriate Government.

I wish to argue that these changes will be harmful not only to the Indian Worker but also to Indian Industry.

The Perspective of the Indian Worker

One hears a constant drone from economic pundits about India's staggering GDP growth rate(due but naturally to accepting the Washington Consensus) and how since India is integrated with the world, Indian industry must be set loose from its license-Raj era regulations and permitted to be 'competitive'.

I propose to refute these propositions on 2 grounds:

- 1) The meretricious GDP boom actually conceals a frightening contraction in terms of rate of job creation in India. This 'jobless growth'(the net increase in employment in India dropped from 59.5 million during the first half of the 2000s to 1.25 million during the second half) has led to an underemployment(and a decline in the bargaining power of Labour) that is rife to be exploited by Capital, leading to consequences and incidents far worse than any Manesar.
- 2) The decline in the quality of jobs being created- manufacturing has declined and construction sector has boomed- can only result in the further degradation of the worker.

Let us examine the two distinguishing features of a modernizing labour market like India's. First, as famously suggested by Arthur Lewis, is the transfer of "surplus labour" from the subsistence (also agricultural or informal) sectors to the capitalist (also industrial or formal) sector, which absorbs this excess labour to expand and stimulate sustained development. It is only when surplus labour reserves in agriculture are exhausted that the size of the agricultural workforce begins to fall and wages begin to rise. Taiwan and South Korea reached this stage in the 1960s and now China too has little surplus left in the agricultural sector.

The latest National Sample Survey Office's (NSSO) reports on Employment and Unemployment in India, particularly the NSS 2009-10 survey provides clear indications of this shift from agriculture to industry finally taking place.

One of the main impediments to India's industrial growth, however, is its Labour Participation Rate (LPR) i.e. the proportion of the population that is economically active, including the employed as well as those unemployed but actively seeking jobs. In 2008, the LPR in India was only 56% compared to 74% in China and 71% in Brazil. Liberalization has brought virtually no change in the LPR/WPR. Another worrying statistic is that the net increase in employment in India was 71 million between 1983 and 1993-94, but fell to 24 million between 1993-94 and 1999-2000. Further, there was a predominance of casual workers in the new employment generated during the 1990s.

During the first half of the 2000s (between 1999-2000 and 2004-05), employment growth in India revived impressively with a net increase of 59.5 million new jobs, and with a significant jump in the numbers of the self-employed. However, during the same period of time, the quality of employment suffered a decline, with deskilling/casualization in the workplace along with a concomitant. 2011a). The growth of wages accordingly slowed down and wage inequalities increased in India during the post-reform period of 1993-94 to 2004-05

The latest (66th) round of the NSS in 2009-10 indicated that employment generation in the Indian economy declined ruinously, with only 1.25 million new jobs recorded in the country between 2004-05 and 2009-10.

The diversification of India's employment structure has been limited and faces stiff challenges.

Even in 2009-10, agriculture and allied activities continued to employ 238 million of India's 459 million workers, or 52% of the country's total workforce. The diversification of the employment structure has been much quicker in China. In 1978, both China and India had 71% of their workforce employed in agriculture. However, by 2004, India had fallen considerably behind China with respect to the proportion of non-agricultural workers in the workforce. This proportion was 43%, 53% and 92% respectively in India, China and South Korea in that year.

At the beginning of his second term, Manmohan Singh announced that his goal was to see a great wave of migration from India's villages to her cities. The economist in Dr Singh doubtless recognized the need for this shift to take place but he seems to have failed to realize that the realities of the crony-capitalist state that is India would ensure that this would not end well. The movement of the workforce away from agriculture is positive when it happens due to wither the push of technological changes in agriculture (which limits labour absorption) or the pull of expanding productive non-agricultural activities.

The reality in India is this. The push is not from new technology but from taking away forest(tribal) land for mining and arable(farmers') land for SEZs, highways and big dams, forcing the traditional inhabitants to migrate en-masse to the already teeming cities, exacerbating the dismal living and working conditions there. This in turn produces a huge labour pool of desperately poor men and women, which in turn drives down wages and bargaining power for the workers in general.

The pull is NOT from productive industries like Manufacturing (between 2004-05 and 2009-10, there was an absolute decline of 3.7 million in the total manufacturing employment in India) but from highly speculative and bubble-prone sectors like construction (persons employed in construction increased by only 5.3 million during the 10 years between 1983 and 1993-94, but by 18.1 million during the five-year period from 2004-05 to 2009-10)

Apart from the contingent nature of the construction sector, driven as it is by a real-estate market fuelled and regulated not by supply and demand but by enormous influxes of "black" money and a politician-builder nexus that artificially limits supply and jacks up prices, the danger in an explosion of this sector is the nature of work it offers. The workers in the construction sector are overwhelmingly badli/temporary workers who have virtually no labour rights and are exploited beyond belief by unscrupulous contractors. Child labour is rampant, deaths due to employer negligence are unremarkable and the very notion of dignity of labour is nothing but a poor joke.

The great English historian EP Thomson tells us in his magnum opus *The Making of the English Working Class* about how it was unceasing exploitation by industrialists in the early part of the nineteenth century that was responsible for the formation of class consciousness in Britain. The single biggest mistake Indian industry can make is to follow this example. In the past, the only cement that could bind India together was opposition to foreign rule. Today, the only glue that can bind the millions of disconnected workers in India is a consciousness that there is no recourse from exploitation but in unity. It would be suicidal for corporate India to permit this.

The worker in India, however, is being pushed to nothing less than such an end. The one buffer between class insurrection (manifest in as-yet small incidents like Graphite India (2011), Regency Ceramics (2012), Maruti Suzuki(2012)) is that robust labour laws still protect the tiny but significant layer of organized labour, which is a buffer between the Indian elite and the ninety-plus percent of unorganized labour, which, deprived of rights and remedies, needs only an alliance with the permanent workers to cease their complaisant attitude and take up cudgels against Capital.

The Perspective of Industry

Competitive Capital demands the following of Labour

1. Acceptance of wholesale cost-cutting, including the right of closure and the right to shed labour- this enables Capital to shed its own operations and outsource them to the unorganized sector
2. Acceptance of the Wage-Productivity principle that would guarantee the maximum intensity of labour usage by establishing a positive 'work culture'- ie no restrictions on working hours.

One of the main justifications for these demands relies on the principle of trickle-down- that freeing Industry from 'constraining' labour laws will enable it to compete with global industry and this in turn will help it survive the big bad world of global competition. It is therefore for the ultimate benefit of

workers that they should take cuts in pay and rights since if these flexibilities are not introduced, not only will Indian industry be priced out of the race but that the magical panacea for growth- FDI- will dry up. Let us examine these claims one at a time.

First, the effect of the wage rate on the profitability of a firm.

Given is Debdas Bannerjee's multiple regression exercise (Pp 224) to examine the impact of exports on wages (using pooled data for 172 market-leader companies during a 10-year period)

(VARIABLES: w – wages & salaries; ns – net sales; gfa – gross fixed assets; pbdit - profit before direct & indirect taxes; vop – value of output; gva – gross value added)

The results show that exports as a ratio of net sales are insignificant to explaining the variation in w/ns. In other words, the impact of exports (i.e. the export strategy of a firm) has only limited impact on unit wage costs.

There are many firms which, even after paying higher – than – industry average wages (as a ratio of ns), still maintained their leading positions in exports. For example, Graphite India Ltd exported 12-55 per cent(varying over the years) of its net sales, which is the highest in the industry. It used to pay wages higher than the electrical industrial machinery industry average of 10.33 percent of net sales.

TISCO, to take another example, has sustained a far higher proportion of net sales as wage costs than the Indian steel industry average (it pays more than three times the industry average wages). Yet its 'profit to sales' ratio has been far higher than the industry average and it has maintained its position as the market leader in private sector steel production in India

A reason for this is that wages are simply too small a component (about 5% of net sales) to render a high wage paying company's products uncompetitive in the global markets. Also, firms that had much lower wage costs than the industry average are generally found to have relatively high administrative costs. It is in fact the improved efficiency of firms with better industrial relations policies that compensate for higher wage costs and maintains firm profitability at a competitive level

Therefore, the argument that higher wages make firms uncompetitive is empirically unjustified. The deterioration of the Labour market should rather be blamed on the weakened bargaining capacity of workers due to the enormous supply of migrant labor caused by the devastation of the villages and forests of India. The lowest paying firms force everyone's wages down to their level and this race to the bottom will be the fate of Indian industry unless some steps are taken. Though better wages have an efficiency effect, unless the advantages of technological development outweigh the advantages of cheap labour, the only way for Indian Industry to compete is the "low road"- become a cut price, low tech alternative for Western goods and services. Institutional intervention in the form of labor laws are therefore essential to plug the gap between low-wage and high- wage firms in the industry and create a level playing field.

Another argument against the argument for diluting labour laws based on an anticipated lowering of competitiveness in globalized markets is that the North & South compete with each other in different segments of the global market and operate on different stages in the same value chain. While the North has cornered the market in R&D intensive, high tech industries, the South is relegated to somewhere lower down on the value chain. So, say, a Nike shoe is designed in the North, manufactured in the South and marketed in the north. There is therefore, a collaboration rather than a competition, the South meekly doing the bulk of the work in creating the actual product while the North, with its monopoly on intellectual capital, absorbs the bulk of the surplus(maximum value is added in the last stage)

Let us now examine the claim that a more 'flexible' labour market attracts more Foreign Direct Investment (FDI) to the country.

To demystify this argument, we need to first differentiate between productive investment and "hot money." As Joseph Stieglitz explains (pp.186), the latter creates no employment and generates little or no revenue for the government. It is speculative, unproductive and fickle, streaming out an-masse from an economy at the first sign of trouble and thereby getting the economy really into trouble. This is exactly what happened during the Asian crisis of 1997- financial market liberalization enabled huge inflows of hot money which, when a rumor spread about banks calling in their South Asian loans,

the banks and private lenders in question actually withdrew, triggering the crisis and fulfilling their own prophecy. FDI in productive sectors seem more worthwhile and it is a sobering fact that for all the structural adjustments that the Asian Tigers have consented to, the FDI distribution pattern has remained almost unchanged since the late 1980s. In 1986-90, developed countries shared 82.4% of total FDI while 17.6% went to Africa, Latin America, the Caribbean & Asia put together. The 2011 UNCTAD World Investment reports show that this ratio is now 82.1% to 17.9%- no substantive difference at all.

The case for dilution of India's labour laws can simply not be sustained.

Conclusion

The antagonistic mentality of Indian Industry with regard to Labour must be overcome. The bedrock of industrial growth is stability, which is impossible if the tension between management and labour is ratcheted up any further. Manesar, Konapathar and too many more incidents are a microcosm of the future if this confrontational path is not eschewed.

The lesson of every crisis, financial or otherwise, in the modern world is the same- regulation of industry is a sine-qua-non. By demanding an end to the mediation of government in the relations between industry and labour, corporate India is killing the goose that lays the golden eggs. It is only by embracing regulation that protects the industry from a race to the bottom that Corporate India can achieve the stability it needs to take advantage of the opening-up of global markets. India will shine from a billion tiny light bulbs or not at all.

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Emerging Trends in Fashion Marketing: A Case Study of Apparel Retailing in India

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Abstract

Fashion has touched every sphere of modern consumers globally. Marketers have realized the immense potential to yield business in this booming segment. In present scenario irrespective of the class Indian consumers are adopting fashionable items quickly and conveniently with the rise in competition. The main purpose of the paper is to focus on recent developmental trends in fashion marketing in India for promoting apparel retailing. This paper highlights the strategies implemented by Indian fashion retailers to achieve global competitiveness and win customer's confidence. The study also evaluates the scopes and challenges of fashion retailing in India. The scope of the study is limited to the area of Apparel retailing. Based on the data collected through secondary sources, this paper makes an assessment of the extent of innovativeness and responsiveness retail sector for marketing fashion. In the concluding section, limitations of the study have been discussed and recommendations provided for undertaking more detailed investigations in the area.

Keywords: Fashion Merchandising, Global Competiveness, E-Tailing, Supply Chain, Gennext Consumers

1. Introduction

Fashion has touched every sphere of modern consumers from all over the world. Fashion can be defined as a statement a place, a class, a time, a religion, a culture, and even a nation. It is also a conventional form of expression defines a person. In present scenario marketers have realized the immense potential to yield business in this booming segment. Fashion Marketing is utilizing recent trends in fashion to analyze, develop, and implement sales strategies. According to Parson's School of Design, fashion marketing is the process of analyzing, developing, and marketing current fashion trends into sales strategies. It is the study of the relationship between fashion design and marketing. It consisting of the promotion, advertising, and retailing features of the fashion industry. Fashion marketers analyses recent trends, the fashion industry, people, and study the reason behind the popularity of the trends. Fashion Marketing integrates designing, promotion as well as administration and vast knowledge of the fashion world. Fashion Marketers are the visionaries who can identify the target consumer and know how to market the clothes to these groups.

Fashion Marketers are the linking pin between the designers and their customers. Successful marketers understand that identifying consumer needs, sturdy branding, and product image are all essential elements for building an effective and meaningful marketing campaign. Fashion retail industry has transformed in a rapid pace due to growth in the organized retail sector, affluence and increase in fashion consciousness among gennext consumers in India. From the past few years fashion retailing sector aligning itself with global trends with retailing firms Shoppers Stop, and crossroads entering into to middle class segment. It has been estimated that this sector in next few years will grow to Rs.3 Billion. Fashion retailers now outsourcing their products to extend their global presence. Fashion supply chain is also need to increase flexibility and enhance relationships with the suppliers.

Apparel sector in India has taken a paradigm shift. With the growth and rising of urbanization has given rise to fashionable gennext consumers having attitude of spending huge amount of money to look trendy. Retail apparel market has also gone through significant changes and created growth opportunity for both Indian as well as foreign brands. Fashion and apparel retailing in India is one of the largest segment of the retailing and account for almost 39% of the organized retail sector. Apparel sector in India is estimated to grow to \$220 billion by 2020.

2. Objective of the Study

- Study the innovations in fashion retailing in India
- Examining the emerging trends in apparel retailing in India.
- Evaluate the scopes and challenges of fashion retailing in India.
- Understanding the future prospect of fashion marketing in India

3. Literature Review

However, there is limited literature on the fashion retail industry and little emphasis is placed on the application of marketing strategy in fashion retailing. Marguerite Moore, Ann Fairhurst, (2003) professed that fashion retailers should emphasize on cater service aligned to target customer's expectations and to distinguish their outlet in terms of ,product offering, advertising, image and communicational action. According to Omera Khan (2003) handling risks in fashion retail could yield functional efficiency and ensures fashion retail firms to achieve competitive edge.

Andrew G. Parsons, (2011) suggested that Interactions between sensory stimuli have a major impact on fashion shoppers' perception about a store. Fashion retailers are less differentiated in their application of sensory motivation than they could be to attain the response they anticipate. Stagnation from repeated exposure can reduce affect for the store whereas small alterations in stimuli levels can revitalize and increase affect. The dual factors generate very dissimilar experiences for the customers with regards to presenting fashion online, the first area recognised product viewing, enables the consumer to customize how they see and interact with the garment stimulating more serviceable effects, and the second portal, aesthetic fashion information is determined by the retailer tendering information about the garments motivating hedonic effects. According to Helen McCormick and Charlotte Livett, (2012) online fashion retailers must adequately interlace hedonic leisure with realistic utilitarianism to provide a mutually-satisfying e-shopping experience.

4. Research Methodology

To understand the present scenario of fashion retailing in context of apparel merchandising, descriptive and case study approach has been used in the study to reveal the facts. This research consists of application of secondary data. The secondary data has been collected from the various published statistics, reports, journals, previous studies, websites etc.

5. Emerging Trend in Fashion Retailing in India: A Way Forward

The emerging trends in the Fashion retailing helps the economic growth in India. Indian organized retail sector is increasing in a frenetic pace in a very short span of time. Ultimately fashion retailing has a chance of tremendous economic growth both in India and abroad. The relaxation by the Government on regulatory controls on FDI has added to the growth of the fashion retail industry. The emergences of shopping malls are also increasing rapidly in all over India. Change in consumers' behavior towards shopping and lifestyle, growth in income levels, and emerging new generation customers are supporting the growth of fashion retailing in India. With the growth of organized retailing the fashion retailing is developing at frenetic pace with Indian as well as global brands not only in the metro cities but also in smaller towns. The apparel and textiles industry is

India's largest selling segments of the retailing sector. Apparel Industry has become a lifestyle brand having segments not only clothing but also but also fashion accessories, jewelries, beauty, watches, etc.

Around 60% of retail sector is consisting of fashion segment. As per Technopak Indian Textile & Apparel Compendium 2010 the total textile and apparel industry was valued at Rs 3, 27,000 crores in 2009 and is estimated to grow at 11 per cent CAGR to reach Rs 10, 32,000 crores by 2020. Apparel retailing consisting of 95% of total sales in department stores, and 70% in hypermarkets such as Big Bazaar or Spencer's Retail. Fashion retail brands have elevated the Indian business at a high rate. The Technopak study shows that men's wear is the biggest segment in apparels estimated at around Rs 66,300 crores compared to women's wear at Rs 57,745 crores. However, women's wear is growing faster at a CAGR of 12 per cent and is expected to gain majority share in future. Kids wear is also growing rapidly with highest growth in girls wear.

6. Growth of Apparel Retailers in India: Scope and Challenges for the Fashion Industry

The global fashion apparel industry is one of the extreme significant sectors of India in terms of revenue, investment, and trade and job creation. Apparel industry has tremendous product variety, short product life cycles, explosive and changeable demand, long and stiff distribution network. The fashion industry has been undergoing transitional shift over the last 20 years. As shown in Figure-2 apparel is the most profitable segment of retail sector. The fashion retailing where the preferences of customers are focused, the forms and shapes of necessary silhouettes and costumes purchased. The capacity of fashion retailers to cater the latest fashion looks of the shop floor is now a very important as fashion styles and trends to change at rising velocity and promptness. There are a number of fashion retailers developing and yet to develop in this ever splendid area of Business. So, fashion marketing is attaining its own Elysium of fame. Some prefer to buy the latest stylist outfits, trying to replicate themselves as the elite section of the modern society. The fashion industry saw a frenetic growth of 10 percent since 2005. Understanding the propellers of this growth in fashion and the challenges ahead a session titled "Indian Apparel and Fashion Market - 2012 and Beyond" organized by

Subhinder Singh, MD, Adidas and Reebok India was held on the first day of India Fashion Forum 2012, Mumbai. It is the rise in fashion trends in India that revolutionized the products arrangement in retail industry. Fashion Retailers such as Brand Factory, Central, Mega Mart, Marks & Spencer, have revolutionized the whole fashion world. Brands in, textiles, apparel accessories, jewelry footwear, salons and cosmetics increased the business to around 40,000 crore. The Indian retail market is growing fast. It is blatant that now Indian retail firms needs lots more of styles. The organized fashion retailing is rising at breakneck velocity. It is harmonious to all that fashion is an imperative to both the retail as well as the other brands. Fashion has directed the retail industry explosion and it has sustained its supremacy in every markets, malls, and outlets. It is expected that around Rs 80,000cr retail sales would be raised from the fashion retailing. A country of over one billion population, an enormous consumer class, India is measured as the most favored destinations for trade and investments. Apparel and textiles are the largest segments in retailing industry, and if we accumulate the other segments like watches, jewelry, cosmetics, health & beauty care etc as a single area, then fashion would report nearly 60 % of the total retail sector. With radical changes in fashion and retail industry, the Indian gennext are facing massive transformation. With a mounting income levels and changing attitude "look good - feel good", fashion is providing gigantic potential to foray into the untapped Indian markets.

Fashions will touch nearly 95% in total revenues in the department stores and in hypermarkets like Big Bazaar the ratio could be around 70%. Fashion apparel has been the most profitable sector in the terms of development in Indian retail industry, not due to its volume but the way it has altered lifestyle of the Indian gennext consumers.

Figure-3.0



7. Factors fostering the Apparel Fashion Industry in India :A Sporadic View

Indian apparel business are anticipated to reach an estimated \$65 billion this fiscal year, having a growth rate above 10 percent over the past 5 years, a growth rate faster than that of the overall retail market . In Indian market, apparel is the second largest retail segment after food and groceries, tapping approximately 10 percent of the total retail market. This growth has been triggered by a number of influential factors:

7.1 Rise in Average Household Income

By 2005, 21 million of India's 210 million households have already earned more than \$4,000 a year, meeting the criteria for membership in what we call "the consuming class." Based on McKinsey report, by 2015 the number of consuming class households will likely triple to 64 million.

7.2 Increasing Trends of Special Occasions

For men, clothing preference covers mainly three basic categories such as casual wear, formals, and special occasion wear. With more "socializing" opportunities, now men are purchasing latest forms of apparels like party wear, sportswear, Gym wear, ethnic wear etc. From the past few years, men have started preferring

Western stylist jackets, and collared shirts, "funky" fashion, stripes or checks for business meetings. Nowadays,

Indians are more prone than western consumers to buy apparel for special occasions. Without a doubt, 38 percent of Indian respondents to a recent McKinsey study as shown in Figure 1.1 said they were highly inclined to buy apparel for specific events significantly higher proportion than Russia (3 %), in Brazil (5 %), or China (6 %).

7.3 Growth of Women Empowerment

In the past, the men's apparel market in India has been considerably bigger than the women's apparel market. With only 20 percent of India's urban women in the workforce, women's wardrobes have been limited to sarees and items for special occasions. Today, women are more enthusiastic to put on differently when they go beyond the home.

7.4 Self-Expression

Increasingly, Indian customers are taking on the concept of fashion for self-expression. Television, advertising and the Internet bombard modern Indian consumer with innovative ideas about fashion and style too.

7.5 Rapid Urbanization and Modernization

About 29 percent of Indian lives in cities n towns, among the least urbanization ratio of any country in the world. However that has been shifting fast in the forthcoming 20 years, anticipated number of Indians living in cities will grow by grow by 300 million, where they will adopt new styles and fashions to cope with new lifestyles and social statute . A major percentage of these new city residents will be gennext consumers, and making first-time selection for whole section of apparel items including denims, shirts, and shoes.

7.6 Incessant Growth of "Organized Retail"

Large, branded retail outlets where merchandises are systematically shelved and displayed will speed the change of consumer buying pattern. Today, organized retail accounts for less than 20% of all Indian apparel market the rest takes place in small, pop n mom store. But over the last ten years there has been a rapid acceleration of new shopping malls and hypermarkets across major cities of India.

7.7 Diffusion of Fashion Innovators

Innovators and early majority are main agents of diffusion of fashion a respective market. It has been reported that maximum gold sale takes place in India on the eve of special occasion "Akshay Tritiya". Similarly, the "Friday dressing" idea by some of the retailers encourages gennext consumers to buy gowdy dresses for Fridays.

8. Role of Technology in Fashion Retailing: A Symbiotic Effect

Technology has revolutionized fashion retailing from every aspect. Internet and mobile technologies has transformed the way retailers do the business. In the highly competitive market scenario retailers

has become technology-conscious. To sustain and attract customers and achieve global competitiveness fashion retailers are adopting technology.

Marketing strategy for fashion retailing is changing day by day. Fashion retailing sectors like apparel, jewelry, accessories, wallets, footwear, bags, etc. are exceptionally competitive with slight profit margins. Retailers have implemented technology to achieve global sustainability and tackle shrinking profit margins. Technology facilitates customer engagement, ease of product selection, customization, promotional content, loyalty benefits and customer relationship management. In the fashion-conscious market, retailers must ensure the fastest and most accurate delivery of products from suppliers to warehouses and stores. Fashion retailers also growing their footprint to reach global markets. It is necessary to bring a better understanding of customer experience, personalization, signage, billing, etc. to meet the demand of the respective cultures and mix it with attributes to build the global identity of the fashion brand.

8.1 Innovation in Apparel Retailing

Over the few decades apparel retailing has undergone radical transformations. Technology has moved the sector forward in terms of its size and scope. Few years back consumers were extremely choosy in their apparel purchasing habits. They used to go for purchasing clothes particularly for special occasions. Though they purchased less often but spent a larger overall proportion of their income on clothing. Gradually demands of the consumer became unlimited choice and the effects of this shift in their expectations have been considerable. Now a days the apparel industry has become one of the main drivers of a new reality, with global supply chains, remarkable product variety and short product life cycles.

Technological innovation has helped fashion apparel retailers to achieve global competitiveness and growth sustainability. Through improved technology apparel retailers can maintain effective relationship with the customer in a better way.

8.1.1 Merchandise Visibility

It represents a supply chain and in-store solution that enables retailers to improve operations, sales and margins. Merchandise visibility offers an end-to-end solution for closed-loop apparel retailers. With help of latest technology fashion retailers can know the exact inventory situation so that they can track which materials are on the shelf and what needs to be re-stocked.

8.1.2 Digital Retailing

It facilitates real-time data technology where every product can be tracked and traced. In apparel segment different forms of technology are used each day to make operations more efficient. Inventory management is a vital part of a retail store. Stock and inventory should be periodically tracked to check shoplifting. IT based inventory management system helps the retailers to make order and track inventory in a very easy way.

8.1.3 Point of Sale

Many Apparel stores have implemented transaction processing system based cash register for calculating sales tax, processing coupon codes, scanning of UPC codes and also updating inventory after each purchase. Technocentric retailers have employed e-payment systems for debit and credit card transactions and also run personal checks for safeguard against fraudulent activities.

8.1.4 Security

Previously apparel retailers used to depend upon guards for their security point of view. But now in IT age many retailers have adapted to electronic based security systems to prevent shoplifting. These are comparatively cheaper systems with which retailers can see and record each and every nook and corner of the store through powerful Cameras.

8.1.5 Promotion

Promotion plays a major role for the retailers to sustain in the highly competitive scenario. Apparel retailers have adapted various strategies to promote their brands. Now many retailers utilizing social networking media for brand promotion, to maintain relationship with the customers by handling customer service inquiries and maintaining public relations. Apparel retailers also gone for Web presence with a blog or website, with a great number of them selling their items online as well as in a physical store.

8.1.6 E-commerce & Online Retailing

Innovation in Internet technology facilitates apparel retailers to sell online in a better manner. There are a wide variety of online stores available in India providing E-commerce and E-retailing support. Jabong.com, myantra.com, zovi.com, zara.com, fashionindia.com, utsavfashion.in, marksandspencerindia.com are some of renowned online fashion retailers in India.

8.1.7 Bodymetrics

Body metrics technology which consisting of Prime Sense 3D sensors to map the body's measurements and shape has been implemented in apparel retailing since long days. It has revolutionized the way consumers buy clothes through the virtual „try on" system both at retail stores and through online clothing retailers, enabling customers to measure a more realistic fit before they purchase. Previously body scanners were expensive and

too complex for most clothing retailers. Body scanners facilitate apparel retailers to provide online customized services. And also helps in reducing the number of returned unfit clothes. Now days most retailers have installed body scanners to allow customers to shop for garments that fit their size, shape and style, and also they can access their Body metrics account online.

8.1.8 RFID Technology

The implementation of RFID technology in fashion retailing is in its infancy stage today. Fashion retailing are benefitted from deployment of RFID because of suitable product attributes of fashion outfits and cost effectiveness achieved on item level tagging of RFID. In the current era of intense competition, a fashion retailer needs to exploit the use of advanced technology such as RFID extensively so as to develop competitive advantage for long term success of business.

9. Future of Fashion Retailing in India

In recent trend there is more inclination towards fashion. The apparel industry has experienced considerable development in the last decade, creating new career paths within the Fashion industry in current years has taken up momentum. In recent days there is also a huge demand for the fashion merchandisers, fashion forecasters, fashion journalists other than the fashion designers. Fashion and design over the last decade has developed as a serious career option with materialization of courses, curriculum, opportunities and constant up gradation and innovation in the curriculum and technology. Indian Fashion designers making a mark both at national and global forum exhibiting Indian culture, custom and designs to the international consumers has geared up the morale of fashion aspirants. The Government also supports apparel industry by encouraging fashion events, funding fashion shows for the overall development and promotion of the fashion industry.

9.1 The Number of Fashion Institutes is on the Rise

With the accelerating empire of fashion and design, it is required to groom and train future Fashion leaders through education. Nowadays, the fashion industry has become so unique and special that it embraces a vast spectrum of studies in concept management, design, production management, quality control and planning. Fashion technology has a large scope for preferring a career and so it is required to support it through better faculty, infrastructure, course structure, practices and technological innovation. Many Indian youths are selecting fashion designing as a main-stream career. With the Indian talent Capital being renowned at all platforms both nationally and globally, the fashion education needs to be supplemented by constructing capability of the fashion education providers in India. NIFT, IIFT, JD Institute of Fashion Technology, Pearl Academy of fashion, National Institute of Designing are some of the pioneers in providing fashion education in India. Conferences like International Foundation of Fashion Technology Institutes (IFFTI) are ideal global exchange experience forum, helping fashion aspirants to learn more about fashion and design. They put on confidence,

appreciation, and respect for other people and cultures and also provide a wide scope to struggling models and designers to take off their arrival in the fashion industry. The IFFTI is distinguished from other forums because of the competency of Organizers, the level of participation of the international fashion aspirants.

9.2 PAF's Thought Leadership Formula

Pearl Academy of Fashion's (PAF) thought leadership campaign is all about boosting fashion and design awareness across sectors like, mass clothing, fashion, textiles, home textiles, footwear, jewellery accessories and handicrafts, The role of Mentors and trainers is to sensitize Fashion students to all the up-and-coming issues like social, cultural, ecological, in order to make sure their growth as per global principles. Short-term courses also provided by few fashion institutes. These courses furnish the students with analytical and creative thinking skills. But the concentration should be on the quality of education and the competencies of the faculty.

10. Conclusion

Indian fashion designers having made a remarkable presence in global ramp shows, enhanced merchandising and customer relations by apparel firms have also helped this sector. Retail firms such as, Raymond, Levi's,

Arvind Brands; Madura Garments etc have all attained their Brand Equity while adding more MBOs, EBOs, and LFS to their retail operation. Having established a strong brand value in all their related segments, they have all extended their product portfolio mix while also escalating their manufacturing capacity year-on-year. However, if the retail boom is to sustain, retailers and brands should focus into some factors such as such as collaborative alliances with non-competent services providers and quality brands, uniform sizing and customized services across the country.

At the same time apparel retailers have to give attention to on certain lucrative potential consumers. Also well-planned product mix format, trained sales force, improved customer relations and EBO's and B2B system. Fashion brands also should assure augmented products and not cash discounts to attract customers. Ladies's westernized wear and kid's clothing are a money-spinning segment that has been flourishing over the last ten

years. Several domestic and international marketers are now focusing on this segment of society. From cheaper to premium market players, both domestic and international Retailers are now realizing the mammoth scope of piercing deep into the Indian rural markets and are reaping the growth sustainability in fashion Business.

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