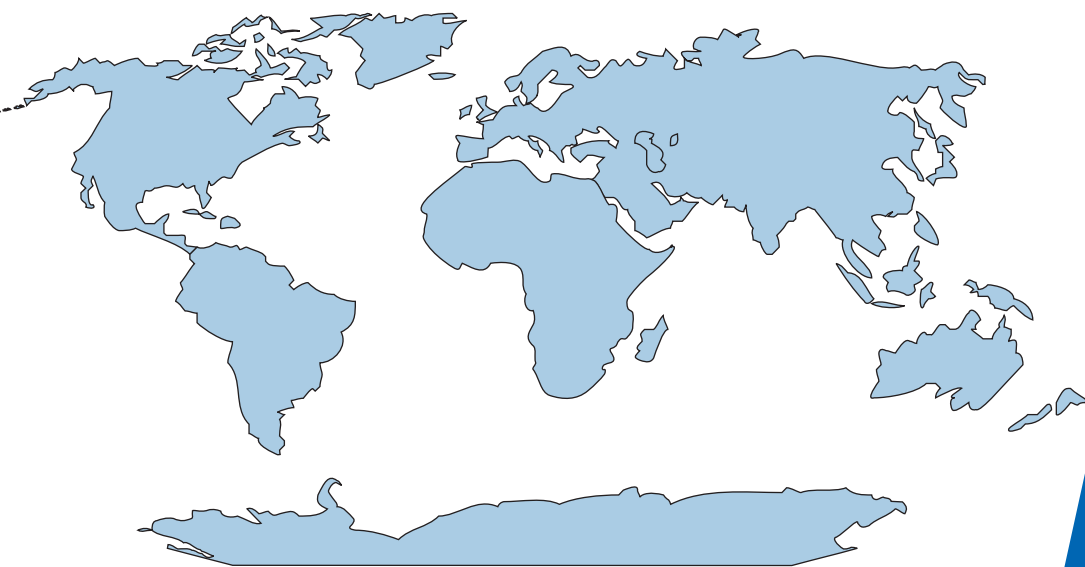


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IMPACT ANALYSIS OF SOCIAL CAPITAL UPON POVERTY ALLEVIATION AND STANDARD OF LIVING OF COMMUNITY BASED ORGANIZATIONS IN MICROFINANCE

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ABSTRACT

Purpose: *The purpose of this study is to explore and analyse the impact of social capital upon the poverty alleviation and standard of living of the microfinance beneficiaries of Community based Organizations (SHGs, JLGs, and SLGs) of Rajasthan State.*

Microfinance is an adopted methodology for poverty reduction in India, it was found by the some studies in Bangladesh, Kenya, and Africa that due to microfinance intermediary processes the microfinance users come across the social interactions not due to joint liability of loan repayment but more than that. In this paper we have tried to find out the formation and impacts of social capital upon poverty alleviation and standard of living of poor of Rajasthan state.

Design/methodology/approach: *We have approached more than 500 microfinance clients but somehow only 435 clients of 53 CBOs responded properly. We have surveyed them and asked about their demographics, financial and social dimensions through questionnaires.*

Findings: *We have applied various univariate and multivariate statistical techniques and found significant increase in sociability of microfinance clients across Rajasthan state.*

Research limitations/implications: *A major limitation of this research is that the tribal areas of Dungarpur, Jhalawar, Banswara and Pratapgarh are not included due to various reasons. Other limitation include multiple lending which is seems to be more crucial and defaulters are not included in the study. The base of poverty is not based upon the income of the individual exclusively. It is inclusively based on income and standard of living.*

Practical implications: *The present study focuses upon the microfinance intermediary processes of the microfinance beneficiaries and their social interactions. The study is useful for the policymakers to find out the regions where demographics are poor and where the microfinance and other financial inclusion tools are required.*

Originality/value: *It is expected that the study will definitely add significant knowledge in the area of social capital and intermediary processes of microfinance and it will be helpful for the scholars to find out enhanced and substantial measures of social capital.*

Keywords: *Community based Organizations (CBOs), Impact analysis, Microfinance beneficiaries, Poverty alleviation, Social Capital, Standard of living,*

1. INTRODUCTION

“Relationships matter”- a definite statement of Social Capital given by John Field signifying its importance in this dynamic World. From big corporate houses to small entrepreneurs, networking and connections are playing crucial role. Relationships and associations in an organization or group cater a common place for resource sharing, decision making, economic exchange, and collective action and so on. When people associate together for a common goal, they tend to interact with each other. At this point of interaction, social capital building starts in accordance with their degree of interaction. In the following sections, we’re going to analyse social capital building in Community based Organizations of Rajasthan State those are came in existence to fight against poverty through microfinance.

Microfinance is a financial approach to support the poor by giving them small loans at cheaper rates and without collaterals. Microfinance sector has navigated a long journey from micro savings to micro credit and then to micro enterprises and now entered the field of micro insurance, micro remittance and micro pension to the poor people. This steady and evolutionary augmentation process has given a great opportunity to the rural poor in India to attain rational economic, social and cultural empowerment, tend to improved living standard and quality of life for participating households. The successful spread of microfinance is due to the assumption that local social networks, between people who know and trust each other, are able to reduce the failures of

financial markets in developing countries. In this sense, information sharing and collective action among social network members produce mutual benefits. Social networks are therefore considered as a resource or ‘capital’ for microfinance programs. In microfinance group lending methodologies similar aspects of social capital emerge, and the ‘social collateral’, i.e. the formed group, is generally considered as the social capital element upon which successful microfinance programs are built. This paper envisages with the different Social Capital Variables which are affecting Microfinance and its intermediary processes and span of building social capital among the Community Organizations with the special reference to Rajasthan.

There has been significant and rising concentration in social capital theory in existing years, evidenced by its weight to various disciplines and frequent subject areas. The core ideology of social capital is that social networks are crucial and important asset. Networks provide a basis for social interactions, cohesion and other intermediary processes because they enable people to cooperate and interact with each other for gaining mutual benefits.

Over the last ten years, microfinance programmes have come to be well thought-out as one of the most powerful instruments for alleviating poverty. The successful stretch of microfinance is due to the assumption that local social associations, between people who know and trust each other, are able to diminish the failures of financial markets in developing countries. In this intellect, information sharing and collective action among social network members produce mutual benefits. Social associations are therefore considered as a reserve or ‘capital’ for microfinance programmes.

2. OBJECTIVE AND HYPOTHESES

The objective of this study is to find out the impact of social capital upon the poverty alleviation and standard of living of the microfinance beneficiaries of Rajasthan state.

The Hypotheses are as follows:

Ho₁: Social Capital does not have impact upon Poverty Alleviation.

Ha₁: Social Capital has impact upon Poverty Alleviation.

Ho₂: Social Capital does not have impact upon Standard of Living of poor.

Ha₂: Social Capital has impact upon Standard of Living of poor.

3. LITERATURE REVIEW- ASSIMILATION OF SOCIAL CAPITAL AND MICROFINANCE

In group lending methodologies (microfinance intermediary process), loans are offered to clients by using a group guarantee for the repayment of each client’s loan. Group lending methodologies can, in turn, be divided into lending to Community Based Organizations (CBOs) or Solidarity Group Lending (SGL), where the solidarity group is principally considered as a guarantee mechanism.

Lending to CBOs (i.e. village banking, self-help groups, or ROSCAs) involves providing loans to larger groups (from twenty to 100 people). Rotating Saving and Credit Associations (ROSCAs) are present in almost all countries and are completely informal. CBOs function as a group of individuals that periodically meet each other; during the meeting each member gives the group a small, and normally fixed, amount of money, except one person in the group that, in turn, receives the pot. At the end of the rotation, each of the group had received the pot once. The service provided by a ROSCA is, at the same time a savings and a loan (for the one receiving the pot) service. CBO functioning is based on the knowledge and the trust of all the participants. For the financial facility offered by the ROSCAs, the group itself, or rather, the social relationships play an important role in the risk management of the ‘clients’. In fact, in case of default, exclusion from the association means not only no more access to loans, but also receiving social sanctions (Bastelaer 2000). The group manages and mobilizes the received fund and then provides loans to its members. Members are normally asked to save money, to adhere to the group and, depending on the adaptation of the method, the group elects a president, a credit committee to determine loan delivery, and a treasurer.

Different forms of social capital not only pre-exist microfinance programme implementation, but they also play a role in the functioning of the programme itself. Microfinance programmes can also have an impact on building or modifying existing social capital. Many microfinance schemes have based their programme design and implementation on a presumption of knowledge about social relationships, and only after an in-depth analysis has it emerged that several forms of social capital, rather than simply horizontal networks, have intervened in the success of microfinance.

The first organized behaviour of the social capital concept were accessed independently by two sociologists, James Coleman (1987, 1988), and Pierre Bourdieu (1980, 1986).

Heller (1996) inspected an illustration of Kerala, India, where literacy rates, mortality rates, and infant longevity have long been the most favourable on the Indian sub-continent. Heller depicts how the state has played a critical role in bringing about these results, by making the conditions that enabled subordinate social groups to systematize in their cooperative interest.

Harper (1996) stated in his study that the banking community in India is lending micro-loans to the SHGs, relying upon the NGOs, to monitor, at reduced banking charges to make all the transaction profitable for all.

Ito (1998) examined that the peer pressure is a crucial content of social capital which is present in the horizontal structure of ROSCA (Rotating Savings and Credit Association) membership. Participation in microfinance lending programs is promoted by the external agent like NGO. They make joint liability arrangements for the ROSCA members to enforce loan repayment.

Grameen Bank (2000) described ROSCAs as an aggregation of a common fund which is formed by the people on the basis of cyclical contribution to that fund and when required, a lump sum amount is given to a particular member or member group.

Nan Lin (2001) defines Social capital as resources collaborated in social network or institution. These resources can be accessed and mobilized within the social network. It aggregates institutions, relationships and norms to shape the quality and quantity of social interactions. Social Capital works as a glue to bind social cohesion between the members and their mutual coordination for economic prosperity and sustainable development.

Harper (2002), Fisher and Sriram (2002) explained that, ROSCAs are very common form of savings and credit. It includes neighbours, friends and other groups, in which participation of women is more than men. It provides a space for social interactions and participation. ROSCAs are also called merry- go rounds or Self Help Groups.

Ismawan (2002) stated an important relationship between economic intermediation through microfinance programs upon existing social capital which strengthen social capital such as local communities, local government etc. and destroys social capital like local money lenders, social hierarchy etc. Building social capital through microfinance programs increase degree of information sharing, democratic participation, collective decision making and sustainable development.

Anderson, Locker, and Nugent (2002) explained that how new social capital is generated in microfinance programs through regular meetings and other services like education and training. These activities of microfinance give an opportunity to acquire new skills that enable collective action. The periodic meetings in microfinance programs assist members better in designing, developing and managing community projects.

Krishna (2003) measured and compared development indicators in 69 North Indian Village Communities. He measured that the communities which have high levels of social capital also have high levels of development. In this study he has indicators like enhancement in livelihood stability, employment generation, poverty reduction and improvement in quality of basic services. He also stated that the social capital has multiplicative relationship with other development resources like the capacity of village leaders bring socioeconomic changes.

Brata (2004) undertaken a study in Javanese village that shows the impact of social capital upon access and repayment of rural credit and the social capital is measured in terms of numbers in the group, meeting attendance and participation in decision making. The study is also focuses on more regularity of higher position in the group in attendance in micro credit programs have positive impact over the amount of formal credit provided by the group.

Morris, Woodworth and Hiatt (2006) conducted a comparative study of financial performance between individual lending and cooperative micro-lending to self employed entrepreneurs in Bulgaria and Philippines. They found higher survival rates and better performance in self employed entrepreneurs due to higher level of social capital created by the organization. Moreover, they found social capital originated by social ties and network are able to help self employed women entrepreneurs and provide flexibility in interest payment and repayment schedule, training and skill up gradation, networking with suppliers and customers, shared responsibilities such as child care etc.

4. RESEARCH METHODOLOGY

It is observed that the Social Capital has impact upon Poverty Alleviation efforts and Standard of Living in the context of Microfinance. The research carries both descriptive and exploratory research design. The present research is characterized by the prior formulation of specific research questions and hypotheses. Thus, the information needed is clearly defined. As a result, this research is pre-planned and structured. It is typically based on predetermined representative samples and specifies the methods for selecting the sources of information and for collecting data from those sources. Books, Magazines, Journals etc. remain as the secondary source of data. Primary data has been collected through validated questionnaire where Five Point Likert Scale has been applied to determine various significant variables which have significant impact upon quality of work life. A sample size of 435 Microfinance Beneficiaries has been taken using convenience sampling. Data is analyzed through descriptive statistics, factor analysis, ANOVA using SPSS 20.

5. DATA ANALYSIS AND INTERPRETATION

5.1 Demographic Profile of the Respondents

Table 5.1: Demographic Profile

| Demographic Variables | | Number of Respondents | Percentage |
|-----------------------|-----------------------------|-----------------------|--------------|
| <i>Gender</i> | <i>Male</i> | 221 | 50.8 |
| | <i>Female</i> | 214 | 49.2 |
| | Total | 435 | 100.0 |
| <i>Literacy Level</i> | <i>Primary</i> | 70 | 16.1 |
| | <i>Middle</i> | 99 | 22.8 |
| | <i>Secondary</i> | 83 | 19.1 |
| | <i>Sr. Secondary</i> | 90 | 20.7 |
| | <i>Graduation and above</i> | 93 | 21.4 |
| | Total | 435 | 100.0 |
| <i>Age</i> | <i>18-20 Years</i> | 84 | 19.3 |
| | <i>20-25 Years</i> | 92 | 21.1 |
| | <i>25-30 Years</i> | 85 | 19.5 |
| | <i>30-35 Years</i> | 86 | 19.8 |
| | <i>35 and Above</i> | 88 | 20.2 |
| | Total | 435 | 100.0 |
| <i>Occupation</i> | <i>On farm</i> | 108 | 24.8 |
| | <i>Non-farm</i> | 94 | 21.6 |
| | <i>SMEs</i> | 117 | 26.9 |
| | <i>Others</i> | 116 | 26.7 |
| | Total | 435 | 100.0 |
| <i>Monthly Income</i> | <i>Less than Rs.1000</i> | 79 | 18.2 |
| | <i>Rs. 1000-5000</i> | 100 | 23.0 |
| | <i>Rs. 5000-Rs. 10000</i> | 84 | 19.3 |
| | <i>Rs. 10000-Rs. 15000</i> | 91 | 20.9 |
| | <i>More than Rs. 15000</i> | 81 | 18.6 |
| | Total | 435 | 100.0 |
| <i>Language</i> | <i>Hindi</i> | 148 | 34.0 |
| | <i>Rajasthani</i> | 133 | 30.6 |
| | <i>Others</i> | 154 | 35.4 |
| | Total | 435 | 100.0 |
| <i>Type of Area</i> | <i>Urban</i> | 100 | 23.0 |
| | <i>Semi-urban</i> | 101 | 23.2 |
| | <i>Rural</i> | 124 | 28.5 |
| | <i>Remote Area</i> | 110 | 25.3 |
| | Total | 435 | 100.0 |
| <i>Type of House</i> | <i>Own</i> | 205 | 47.1 |
| | <i>Rented</i> | 230 | 52.9 |
| | Total | 435 | 100.0 |
| <i>Marital Status</i> | <i>Married</i> | 221 | 50.8 |

| | | | |
|-----------------------------------|--------------------------|------------|--------------|
| | <i>Unmarried</i> | 194 | 44.6 |
| | <i>Widow</i> | 10 | 2.3 |
| | <i>Divorce</i> | 6 | 1.4 |
| | <i>Separated</i> | 4 | .9 |
| | Total | 435 | 100.0 |
| Head of Family | <i>Husband</i> | 156 | 35.9 |
| | <i>Wife</i> | 41 | 9.4 |
| | <i>Father</i> | 230 | 52.9 |
| | <i>Mother</i> | 4 | 0.9 |
| | <i>In-laws</i> | 4 | 0.9 |
| | Total | 435 | 100.0 |
| | Electricity | <i>Yes</i> | 431 |
| <i>No</i> | | 4 | 0.9 |
| Total | | 435 | 100.0 |
| Drinking Water | <i>Piped Water</i> | 133 | 30.6 |
| | <i>Hand Pump</i> | 92 | 21.1 |
| | <i>Combined Facility</i> | 113 | 26.0 |
| | <i>Others</i> | 97 | 22.3 |
| | Total | 435 | 100.0 |
| Government Health Services | <i>Yes</i> | 220 | 50.6 |
| | <i>No</i> | 215 | 49.4 |
| | Total | 435 | 100.0 |

5.2 Measurement of Social Capital Formation in Community based Organizations

An instrument was developed in the questionnaire consisting of 23 statements to measure the social capital building through micro finance. The respondents were asked to rate their agreement with these statements on a Five Point Likert type rating scale. Their responses have been used to compute a quantitative measure named as Social Capital Building Scores SCBS for the purpose of analysis in the forth coming sections.

The above 5 point rating scale was given a numerical value ranging from 1 to 5. The scores of all the statements have been added to calculate aggregate Social Capital Building Score for each respondent. These scores have been used to analyze the impact of demographic factors on these scores. The scores of individual statements have been used to identify the factors using multivariate technique of factor analysis.

5.2.1 Reliability of the Instrument

To measure the internal consistency and reliability of the instrument developed for measuring Social Capital Building, Cronbach's Alpha Coefficient was calculated by using SPSS. The value of Cronbach's Alpha is summarized below in table:

Table 5.2.1: Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .854 | 23 |

As it can be observed that the instrument for social capital has attained a Cronbach Alpha value as 0.854. For the purpose of basic research the Cronbach alpha values should be higher than 0.7 to 0.8. The Cronbach Alpha is 0.854 hence it can be proved that there is consistency in responses.

5.2.2 Identification of Factors for Social Capital Formation

A separate instrument containing 23 statements was inserted apart from demographics in questionnaire to measure social capital formation. To eliminate the problems in analyzing large number of variables i.e. 23, closely related variables have been clubbed using factor analysis. The technique factor analysis provides an easy and proper way to reducing number of variables in a research problem to a concise or manageable number by combining selected ones in to factors (Nargundkar, 2005). A six factor solution was sought from factor analysis using Statistical Package for Social Sciences (SPSS). The principle component analysis method of extraction and varimax method of rotation has been used. Before using factor techniques, the appropriateness of data set for factor model was tested using Kaiser Meyer Olkin (KMO). The value of KMO statistic 0.907 was found which is greater than the desirable value 0.5. Thus the correlation between the pairs of variables is explained by other variables and hence factor analysis was found to be an appropriate analysis technique.

Bartlett's-test of sphericity was used to test the null hypothesis that variables are uncorrelated, thus the correlation matrix is identity matrix. As it can be seen from the below table that this null hypothesis is rejected as the appropriate chi-square statistic is significant at 0.05 level. The appropriateness of factor analysis is thus automatically proved.

5.2.2.i KMO and Bartlett's Test

Table 5.2.2.i: KMO and Bartlett's Test

| | | |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .907 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 1906.219 |
| | df | 253 |
| | Sig. | .000 |

5.2.2.ii Total Variance Explained

Table 5.2.2.ii: Total Variance Explained

| Component | | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | |
|-----------|---|---------------------|-----------|---------|-------------------------------------|-----------|
| | | Total | % of Var. | Cum. % | Total | % of Var. |
| 1 | Members in the group are trustworthy | 5.581 | 24.264 | 24.264 | 5.581 | 24.264 |
| 2 | Helpful nature of the group members | 1.349 | 5.866 | 30.131 | 1.349 | 5.866 |
| 3 | Harmonious relationship with NGOs | 1.135 | 4.935 | 35.065 | 1.135 | 4.935 |
| 4 | Cooperation of NGOs/Banks/MFIs | 1.122 | 4.877 | 39.942 | 1.122 | 4.877 |
| 5 | Regular Loan Repayment of micro credit | 1.071 | 4.655 | 44.597 | 1.071 | 4.655 |
| 6 | Effectiveness of group activity | 1.021 | 4.439 | 49.036 | 1.021 | 4.439 |
| 7 | Meeting frequency and Cooperation | .996 | 4.330 | 53.366 | | |
| 8 | Member participation in SHG/JLG | .933 | 4.058 | 57.424 | | |
| 9 | References to microfinance | .867 | 3.767 | 61.191 | | |
| 10 | Prior information about any activity | .843 | 3.663 | 64.854 | | |
| 11 | Communication in the group | .776 | 3.375 | 68.229 | | |
| 12 | Motivation to cooperate other members | .748 | 3.253 | 71.482 | | |
| 13 | Greater access to micro credit due to joint liability | .742 | 3.227 | 74.709 | | |
| 14 | Group decision making | .719 | 3.127 | 77.836 | | |
| 15 | Position in the society after joining group | .693 | 3.011 | 80.847 | | |
| 16 | Participation in social and business programmes | .675 | 2.937 | 83.784 | | |
| 17 | Independency within the group | .639 | 2.777 | 86.561 | | |
| 18 | Business and social initiatives | .632 | 2.748 | 89.309 | | |
| 19 | Desire to be a group leader | .598 | 2.598 | 91.907 | | |
| 20 | Assistance in problem solving process | .544 | 2.367 | 94.274 | | |
| 21 | Team work according to situation | .488 | 2.123 | 96.397 | | |
| 22 | Improvement in quality of life | .430 | 1.870 | 98.267 | | |
| 23 | Sharing of household resources | .398 | 1.733 | 100.000 | | |

Extraction Method: Principal Component Analysis.

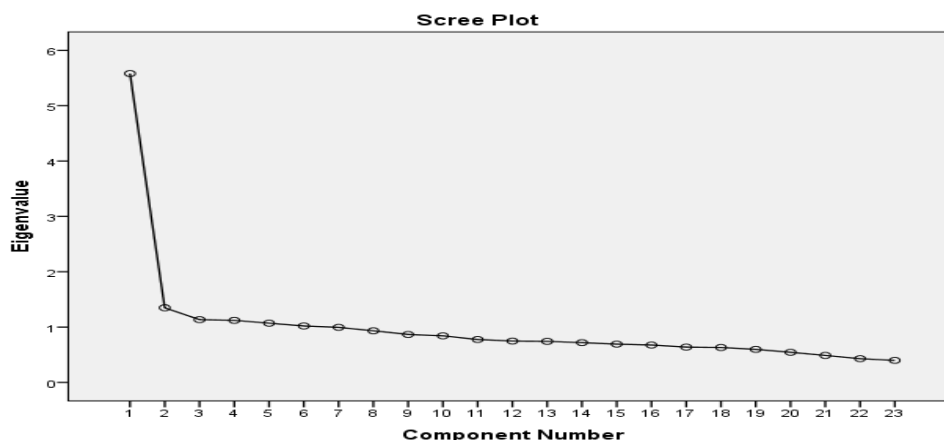
5.2.2.iii Component Matrix

Table 5.2.2.iii: Component Matrix^a

| Component | Component | Component | | | | | |
|-----------|---|-----------|------|------|------|------|------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| 1 | Members in the group are trustworthy | .566 | | | | | |
| 2 | Helpful nature of the group members | .700 | | | | | |
| 3 | Harmonious relationship with NGOs | .456 | | | | | |
| 4 | Cooperation of NGOs/Banks/MFIs | .555 | | | | | |
| 5 | Regular Loan Repayment of micro credit | | | | .596 | | |
| 6 | Effectiveness of group activity | | .514 | | | | |
| 7 | Meeting frequency and Cooperation | .583 | | | | | |
| 8 | Member participation in SHG/JLG | | .526 | | | | |
| 9 | References to microfinance | | | .557 | | | |
| 10 | Prior information about any activity | .638 | | | | | |
| 11 | Communication in the group | .701 | | | | | |
| 12 | Motivation to cooperate other members | .695 | | | | | |
| 13 | Greater access to micro credit due to joint liability | | | | | .597 | |
| 14 | Group decision making | .654 | | | | | |
| 15 | Position in the society after joining group | .596 | | | | | |
| 16 | Participation in social and business programmes | .585 | | | | | |
| 17 | Independency within the group | | | | | | .504 |
| 18 | Business and social initiatives | .633 | | | | | |
| 19 | Desire to be a group leader | .575 | | | | | |
| 20 | Assistance in problem solving process | | | | | | .527 |
| 21 | Team work according to situation | .587 | | | | | |
| 22 | Improvement in quality of life | .513 | | | | | |
| 23 | Sharing of household resources | | | | | .591 | |

Extraction Method: Principal Component Analysis.^a
 a. 6 components extracted.

5.2.2.iv: Scree Plot



5.2.3 The Extracted Six Factors are as follows:

i. Trust: Trust is one of some social constructs, an element of the social reality (Searle, 1995). Trust facilitates joint liability among the community members for successful completion of lending-repayment rotation. It allows exchange of goods, services and information so that the members of the group are able to exchange shared resources to fight against financial depression.

ii. Reciprocity: In community based organizations, people come across each other to fulfil specific requirements of each other. Reciprocity refers to the positive responses for positive stimuli. Positive impact of group activity is relying upon the leaders of group by which the general members can observe positive changes in their community or group.

iii. Cooperation: A specific degree of cooperation among the group members is required for successful microfinance program. It was observed during the survey that the members were ready to give references for joint liability to an external agent i.e. microfinance institution or NGO. Social cohesion plays a very important role in deciding the degree of cooperation among the group members by allowing them to share various information, resources and solidarity.

iv. Horizontal Networks: The members of community based organizations are arranged in horizontal network structure. The social capital resides in this structure because this structure maintains a homogenous level for trust, reciprocity, solidarity, information exchange, cooperation, decision making and collective action.

v. Regular Loan Repayment: This is an attribute of a group. Smooth and rotating lending-repayment cycle assures upcoming supply of funds. It reflects confidence in group members and gives positive responses to the external fund supplier. Moreover, it also gives evidence of employment generation and good survival rate of new entrepreneurs.

vi. Collective Action: This is another important attribute of a group. Collective action integrates the efforts of all group members especially at the time of any problem exists in the group. It facilitates assistance in problem solving process.

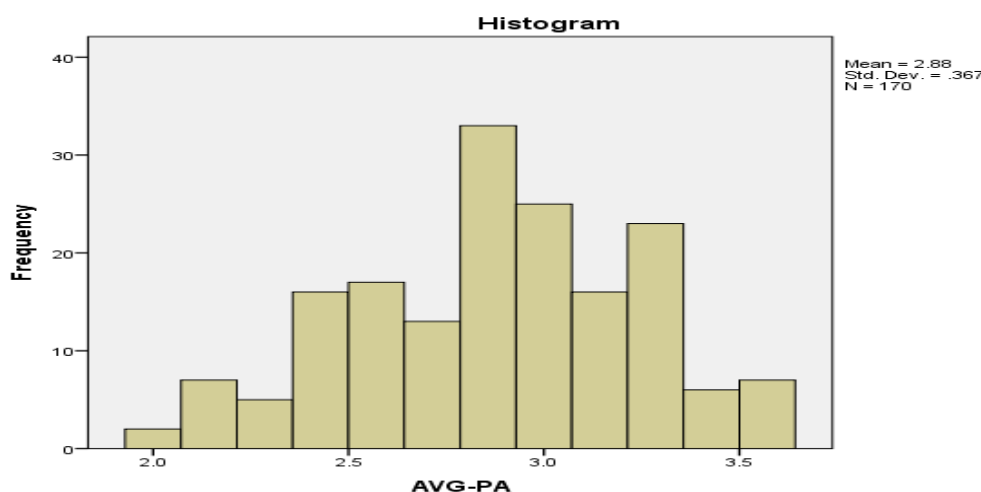
6. INFLUENCE OF SOCIAL CAPITAL UPON POVERTY ALLEVIATION OF MICROFINANCE BENEFICIARIES

Since, the social capital caters a common platform for group members to share resources; it also has significant relationship with poverty alleviation efforts collaborated with external microfinance agent. In this section we’re measuring the impact of social capital upon poverty alleviation followed by test of normality and one-way analysis of variance.

Table 6.1: Tests of Normality

| | Kolmogorov-Smirnov ^a | | | Shapiro-Wilk | | |
|--------|---------------------------------|-----|------|--------------|-----|------|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| AVG-PA | .126 | 170 | .000 | .971 | 170 | .001 |

a. Lilliefors Significance Correction



Here, the sample size is 435, which is lower than the sample size of 2000 (n=435<2000), then we have to take Shapiro-Wilk statistics to analyse assumption of Normality. We have obtained Shapiro-Wilk significance value of 0.001 which is lower than p-value of 0.005, hence the data is not normally distributed and the result is significant and the above histogram is not showing bell shaped distribution of data.

Table 6.2: Test of Homogeneity of Variances
 AVG-PA

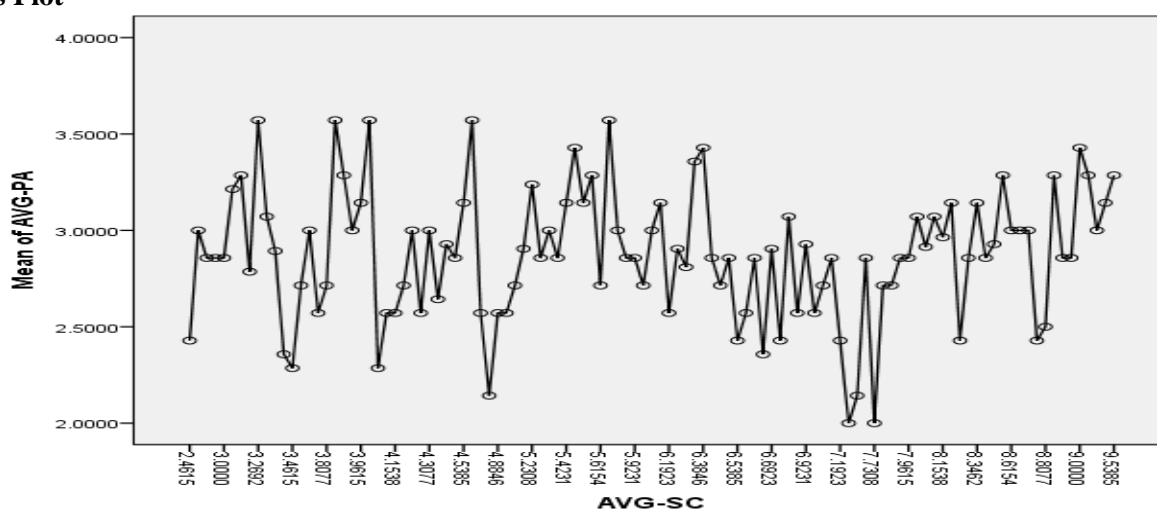
| Levene Statistic | df1 | df2 | Sig. |
|------------------|-----|-----|------|
| 3.461 | 14 | 283 | .851 |

Table 6.3: ANOVA

AVG-PA

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 15.844 | 108 | .147 | 1.291 | .038 |
| Within Groups | 6.929 | 61 | .114 | | |
| Total | 22.773 | 169 | | | |

Means Plot



The homogeneity of variance option tells the Levene’s test for homogeneity of variances, which tests whether the variance in scores is the same for each groups. If significance level of Levene’s test is greater than .05 (e.g. .08, .28), than there is not having any significant difference. In this case, it is 0.851 which is more than .05 hence variances for the two groups are equal and you have therefore not violated the assumption of homogeneity of variance. If it is less than .05 then the output headed Robust Tests of Equality of Means is taken. This ANOVA table gives both between-groups and within-groups sums of squares, degrees of freedom etc. The p value is less than or equal to .05 (e.g. .03, .001), there is a significant difference somewhere among the mean scores upon the dependent variable for the both groups. This does not explain that which group is different from which other group. In the above table, the p value is 0.038 which is less than .05, hence there is a significant difference, so null hypothesis that Social Capital does not have impact upon Standard of Living of poor is rejected and the alternate hypothesis is accepted. The statistical significance of the differences between each pair of groups is provided in the Multiple Comparisons, which gives the results of the post-hoc tests but it can be applied only if significance difference exist which is not in this case. It is further noted that the community based organizations are effective medium to reduce the poverty in general.

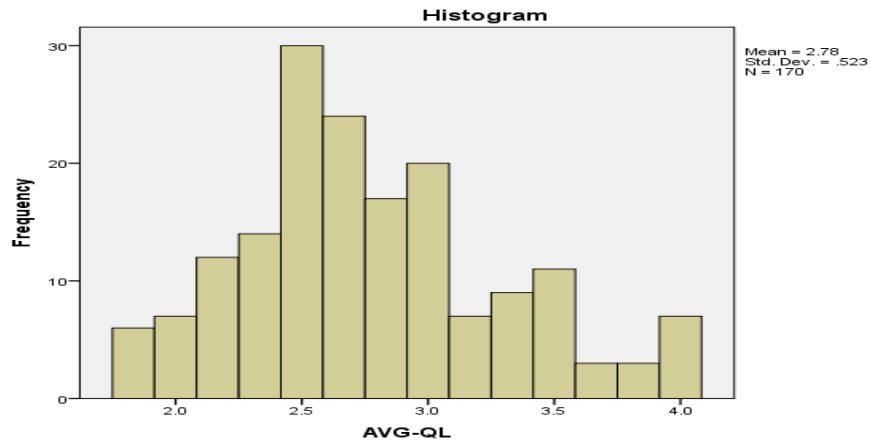
7. INFLUENCE OF SOCIAL CAPITAL UPON STANDARD OF LIVING OF MICROFINANCE BENEFICIARIES

As discussed earlier, social capital exists in groups and networks, it also provides a mean to gain advantages of shared resources. The shared resources motivate members to use these resources immediately by interaction with the other members, results in better living conditions for whole community.

Table 7.1:Tests of Normality

| | Kolmogorov-Smirnov ^a | | | Shapiro-Wilk | | |
|--------|---------------------------------|-----|------|--------------|-----|------|
| | Statistic | df | Sig. | Statistic | df | Sig. |
| AVG-QL | .130 | 170 | .000 | .960 | 170 | .000 |

a. Lilliefors Significance Correction



Here, the sample size is 435, which is lower than the sample size of 2000 ($n=453 < 2000$), then we have to take Shapiro-Wilk statistics to analyse assumption of Normality. We have obtained Shapiro-Wilk significance value of 0.000 which is lower than p-value of 0.005, hence the data is not normally distributed and the result is significant and the above histogram is not showing bell shaped distribution of data.

Table 7.2: Test of Homogeneity of Variances
 AVG-PA

| Levene Statistic | df1 | df2 | Sig. |
|------------------|-----|-----|------|
| 4.761 | 14 | 283 | .732 |

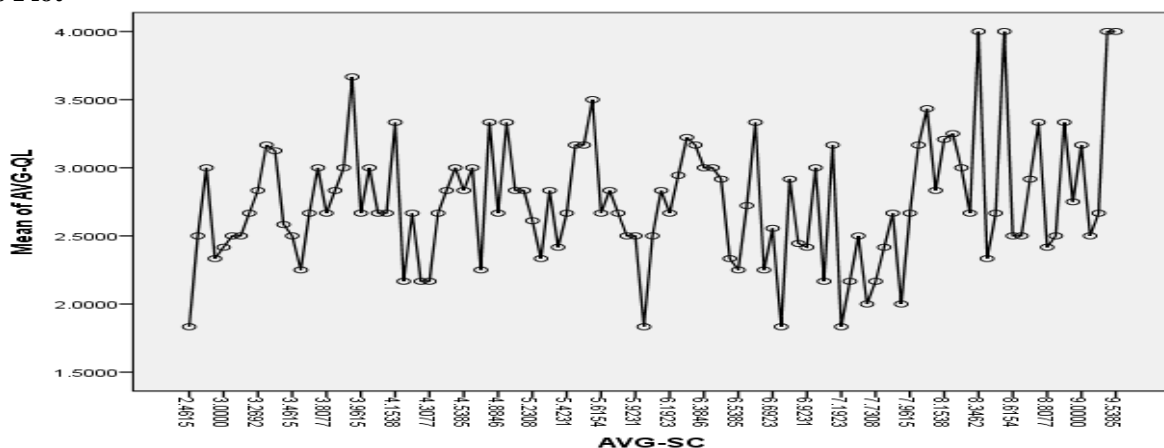
Table 7.3: ANOVA

AVG-QL

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 29.889 | 108 | .277 | 1.033 | .045 |
| Within Groups | 16.339 | 61 | .268 | | |
| Total | 46.228 | 169 | | | |

The homogeneity of variance option tells the Levene’s test for homogeneity of variances, which tests whether the variance in scores is the same for each groups. If significance level of Levene’s test is greater than .05 (e.g. .08, .28), than there is not having any significant difference. In this case, it is 0.732 which is more than .05 hence variances for the two groups are equal and therefore we’ve not violated the assumption of homogeneity of variance. If it is less than .05 then the output headed Robust Tests of Equality of Means is taken. This ANOVA table gives both between-groups and within-groups sums of squares, degrees of freedom etc. The p value is less than or equal to .05 (e.g. .03, .001), there is a significant difference somewhere among the mean scores upon the dependent variable for the both groups. This does not explain that which group is different from which other group.

Means Plot



In the above table, the p value is 0.045 which is less than .05, hence there is a significant difference, so null hypothesis that Social Capital does not have impact upon poverty alleviation is rejected and the alternate hypothesis is accepted. Hence, the social capital in community based organizations is useful to up lift the standard of living of poor.

8. CONCLUSION

Microfinance is a process which is based on social intermediation in which poor people come and share resources, develop cooperation, trust etc. and work for each other. It results in social capital building through the formation of horizontal network which is helpful in the generation of trust, solidarity, reciprocity, mutual benefits, collective action and cooperation. All these things come together for motivating the group members to be self-reliant and maintain a peer pressure to repay loans and interest. Henceforth, the concept of social capital highlights the value of social relations and the role of co-operation and confidence to get economic results. Social capital cannot be generated by individuals acting on their own but depends on the capacity to form new associations and networks.

In a holistic perspective micro-finance is a process of social intermediation and building social capital.

The empirical analysis shows that CBOs has enormous impact on the change of life style of poor people and it also helps to increase the income generation capacity of members to bring the sustainable development of them.

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MODEL FOR PREDICTING CORPORATE BANKRUPTCY OF BULGARIAN BUSINESS ORGANIZATIONS

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ABSTRACT

This study is devoted to the ever-growing need for an adequate and successful model for predicting corporate bankruptcy in Bulgarian business organizations. In modern science and practice there are many and various models among which most applied are the Z- models developed by E. Altman (Edward Altman). In order to establish their feasibility, a study was performed on 14 randomly selected Bulgarian enterprises of the furniture industry for a period covering 2007 to 2012. Without any claims of representativeness of the sample, it has been found necessary for Altman models to adapt to the conditions of the Bulgarian economy, so as to achieve greater reliability of the result obtained.

Keywords: model, predicting, bankruptcy, 5-factor Z – model.

INTRODUCTION

Why predicting corporate bankruptcy is a major challenge for the management of Bulgarian companies? The answer lies in the fact that the reasons for the increasing volatility are numerous and various and they generated a series of bankruptcies, closed businesses, lost jobs and a sharp drop in income. According to a ranking quoted by "Nova TV", "in 2013 a total of 834 Bulgarian companies declared insolvency and thus our country ranks first in Eastern Europe by number of bankruptcies."

The increased turbulence is the new economic normality, posing new challenges before business leaders for whom it is important to understand and accept. It is necessary to create new ways and strategies to work to survive in the coming years. Today's world of increased interconnectedness and interdependence means also an increased risk for any company [1]. An important point in business practice now is to recognize the turbulence and to manage and control risk through appropriate models for early warning.

Risk is the combination of "dangers" and "opportunities." It expresses the choice each investor makes between the opportunity of higher returns that also comes with the likelihood of higher risk and that can not be achieved. In economics, non-risk situations virtually do not exist and is present in all phases of the life cycle of an enterprise.

In a business organization, risk is a danger of realization of unexpected losses, failure to receive the planned volume of profits and money because of random changes in economic conditions and occurrence of unforeseen circumstances. In that case the risk is measured by the likelihood of occurrence of a loss.

In modern practice, the concept of risk has many meanings. From the perspective of financial theory [2], risk refers to the likelihood of the investor receiving a return on an investment that is different than expected. The likelihood of bad scenario is called «downside risk», and the probability of a good scenario is called "upside risk". The term "risk" includes both probabilities. [2]

There are two main groups of reasons due to which realized return deviates from the expected one. They can be presented as a firm-specific and more general, i. e. purely market. Specific ones are related to the project risk, the competitive and sectoral pressure, while market ones correspond with interest and economic risk.

STARTING POINT FOR ANALYSIS AND ASSESSMENT OF THE RISK OF BANKRUPTCY

The present study adopts the assumption that the risk of bankruptcy is a function of three determining factors:

1. The company's ability to generate operating cash flows;
 2. The magnitude of financial liabilities (interests and principals);
 3. Variation of operating cash flows generated by the company.
-
-

Most models for default risk assessment are based on financial indicators. One of the most commonly used measure is the credit rating that is determined by independent rating agencies such as Standard and Poor's and Moody's. Credit rating is determined based on a wide range of financial indicators measuring a company's ability to meet its debt payments and generate stable and predictable cash flows.[3] Here is considered the assertion that enterprises that generate revenue and cash flow significantly exceeding their debt payments and are profitable, as well as those with a low financial leverage, will have a high credit rating. Interest rate on a given corporate debt is a function of the default risk, measured by credit rating.

Z- MODELS, DEVELOPED BY EDWARD ALTMAN

In contemporary science and practice there exist many different models for predicting the default risk of an organization. Most applied are the Z- models developed by E. Altman (Edward Altman). They are built upon the use of a system of financial indicators included in a regression model, which is based on variational series of ratios for a large sample of firms. The aim is to identify significant financial relationships and to define their critical values that distinguish firms having survived bankruptcy. Altman's Z-Score model has become the most popular and widely used model mainly because of its simplicity and relatively high accuracy. To date, several Z-Score model whose essence boils down to binding relatively independent factors and determining their weights have been known and applied. They are included in one structural equation based on variables (financial ratios) and parameters (empirically derived numbers) [4]. Most applied is the five-factor Z model, which is characterized by much higher precision. Financial coefficients involved in the equation are: liquidity ratio, profitability, leverage, solvency and efficiency. The equation resulting in the analysis has the following form [5]:

$$Z = 1.2X_1 + 1.4X_2 + 3.3X_3 + 0.6X_4 + 0.999X_5, \text{ where} \quad (1)$$

X₁ - Working capital / Total assets. This coefficient characterizes the share of pure working capital in the assets, i. e. in economic terms represents an indicator of liquidity.

X₂- Retained earnings / Total assets, characterizing the return on assets on the basis of retained earnings. This indicator is strongly influenced by the "age" of an enterprise, as retained profit accumulates throughout many years, which means that a startup enterprise would report low rates. Therefore, "young" enterprises are threatened by bankruptcy, as has been proved in practice - the first 3-5 years are most at risk for any enterprise.

X₃- Earning before interest and taxes (EBIT) / Total assets. This indicator is one for the profitability of the assets based on operating profit.

X₄- Market value of equity/Book value of total liabilities, Indicator for the financial autonomy of an enterprise (capital structure).

X₅- Sales /Total assets. Indicator for the effective use of the assets of a company for realisation of sales.

The Z coefficient, which is obtained when applying the Altman's Z-Score, [6], allows to determine the likelihood of an enterprise to go bankrupt in the near future. For this purpose Altman formed three intervals of a different likelihood of bankruptcy:

- Upon $Z < 1.23$ – financially distressed company; probability of bankruptcy is very high;
- Upon $Z = 1.23 - 2.90$ - zone of uncertainty, areas of uncertainty, existing risk of bankruptcy;
- Upon $Z > 2.90$ – The enterprise falls within a non-risk zone (negligible likelihood) of bankruptcy, i. e. the so called by Altman "non bankrupt sector".

According to Altman, the accuracy of the method is 95% to 1 year to the bankruptcy, 72% to two years and 48% to three years. Later, based on further research, he specifies the five-factor model, giving it the form [7]:

$$Z = 1.2X_1 + 1.4X_2 + 3.3X_3 + 0.6X_4 + 0.999X_5 - 2.675 \quad (2)$$

In this case, if $Z < 0$, then the financial status of an enterprise would be characterized as «risky», and upon $Z > 0$, it would be deemed «statistically stable».

For non-public companies, Altman [5] has developed a modified model in 1983:

$$Z = 0.717X1+0.847X2+3.107X3+0.42X4+0.998X5 \quad (3)$$

The difference here is the X4 indicator representing the relation between the book value of equity and debt capital (*Book Value of Equity / Total Liabilities*). The limit meaning of Z in this modification is 1.23. When Z <1.23 there is a high financial risk diagnosed, as well as a likely bankruptcy of a company within up to two years.

ESTABLISHING THE APPLICABILITY OF THE ALTMAN MODEL

In order to establish the applicability of the Altman model, the authors conducted a survey of 14 randomly selected Bulgarian industrial enterprises of the furniture industry for covering a six-year period from 2007 to 2012. The analysis was performed based on published annual financial statements of companies by applying the model for non-public companies with a view to their legal form of registration. The results for the calculated values of Z are given in Table 1:

Table 1. Values of the outcome indicator Z in the surveyed enterprises

| Company | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------|---------|------|------|------|-------|------|
| 1 | 2,11 | 2,77 | 2,6 | 2,55 | 3,42 | 4,62 |
| 2 | 3,52 | 3,69 | 5,9 | 8,05 | 13,87 | 4,47 |
| 3 | 0,46 | 0,57 | 0,97 | 1,2 | 0,7 | 1,22 |
| 4 | 0,67 | 1,12 | 0,24 | 0,62 | -0,14 | 0,88 |
| 5 | 1,57 | 1,58 | 1,34 | 1,1 | 4,32 | 2,79 |
| 6 | 0,99 | 1,35 | 1 | 0,74 | 0,67 | 0,67 |
| 7 | 6,99 | 4,4 | 3,15 | 4,57 | 5,95 | 5,88 |
| 8 | 0,98 | 0,88 | 0,79 | 1,24 | 1,82 | 1,98 |
| 9 | 4,27 | 4,9 | 3,77 | 3,4 | 2,11 | 4,52 |
| 10 | 2,96 | 4,57 | 3,91 | 4,77 | 4,15 | 3,19 |
| 11 | No data | 1,13 | 1,49 | 1,91 | 1,84 | 1,23 |
| 12 | 17,76 | 3,97 | 2,88 | 3,07 | 3,5 | 3,74 |
| 13 | 1,56 | 1,7 | 1,04 | 0,89 | 1,48 | 1,31 |
| 14 | 2,52 | 2,95 | 2,76 | 2,17 | 2,14 | 2,2 |

Key:

Black zone – Z-score values under 1.23: The bankruptcy likelihood is very high

Gray zone – Z-score values between 1.23 and 2,9: Zone of uncertainty

White zone – Z-score values above 2,9: The likelihood of bankruptcy is negligibly small

Obtained results make it clear that there exists a serious number of values falling within the "black and gray zone", which would result in the monitored companies being in a situation of bankruptcy. Regardless of this circumstance, companies are active and currently have not declared bankruptcy or liquidation proceedings. It is noteworthy that three of the companies (position №№ 3, 4 and 6) for the whole studied period have been in the "black zone" and another five (position №№ 5, 8, 11, 13 and 14) have moved within the area of uncertainty. From the total number of observations, they form 57.14%. Of interest is the enterprise under position № 12, which shows stable performance, while there have been claims announced against it, as well as seizure.

Without any claims of representativeness of the sample of enterprises monitored, it may be noted that the Altman models in Bulgarian economy should be adjusted in order to achieve greater accuracy of the selected model.

This makes it necessary to explore the reasons for any discrepancies which can be sought in several directions. Reporting their impact would lead to correctness of the result in the model applied for predicting corporate bankruptcy.

PROPOSAL FOR THE COMPOSING OF A MODEL FOR PREDICTING CORPORATE BANKRUPTCY IN BULGARIAN ORGANIZATIONS

As a result of the findings, the authors draw attention to Altman models to be enriched with an additional information database organized on the "Macroeconomics → Sector → Enterprise" line. This array can generally contain external and internal information. Its character and volume must be in keeping with the model used and to be sufficient for the formation of a final result.

External information should characterize the conditions of operation of an enterprise in the appropriate sector and economy, while the inner should directly characterize its activity.

With a view to obtain a more precise result in the compilation of the above-said model, the authors offer that financial statements of the analyzed company underwent a detailed analysis in the following areas:

1. Adjustment for inflation of accountability;
2. Standardization of accounting;
3. Transformation of accounting;

ADJUSTMENT FOR INFLATION OF ACCOUNTABILITY

The purpose of the adjustment for inflation of accountability is to bring the information for previous periods in a comparable manner, reporting of the inflationary price changes in the compilation of projected cash flows and the determination of the discount rate.

Purchasing power of money decreases with increasing the general level of prices of goods and services. Change in the purchasing power of money suggests that the unadjusted financial reporting may not reflect the actual state of the enterprise.

The purchasing power of money decreases with increasing the general level of prices of goods and services. Changing the purchasing power of money suggests that the unadjusted financial reporting can not reflect the actual state of an enterprise.

The simplest way to adjust inflation is a revaluation of all line items taking into account the real purchasing power of the currency at the reporting date of the balance sheet. In this case one can use the consumer price index as an official measure of inflation in Bulgaria, calculated by the National Statistical Institute.

STANDARDIZATION OF ACCOUNTING

The normalization procedure of accounting aims at determining of the income and expenses that are characteristic of a normal operating business. This step will create conditions for the indicators in the model to be objective and based on real data. Through this procedure the financial statements approximates the economic reality in a particular business segment and ensures consistency between retrospective and current indicators, between analogs and analyzed entity, defined is the actual financial and property status of the object of analysis. Peculiarities of the financial statements, giving rise to a need for its normalization for the establishment of an objective model can generally be associated with the following:

- The opportunity upon compiling the report to use different methods of accounting of operations, resulting in the emergence of differences in measures of earnings and cash flow;
- Retrospective nature of the information contained in the report;
- The opportunity of including revenues and expenses that are not typical for business evaluated;
- Reflecting in the statement of the assets at cost;
- Certain assets, such as fully depreciated machinery, facilities and buildings may not be reflected in the balance sheet, although the duration of their economic life has not been over and they actively participate in the production process;
- Presence of accounting errors etc.

An object of adjustment upon normalization of financial statements are indicators that are directly related to the model, namely:

- Unnecessary, non-productive and incidental expenses of the enterprise;
- Personal income and expense of the enterprise owner;
- Income and expenses that are not related to the business of the enterprise, or associated with inactive assets, with effective but non-accounted judgments, etc.

Where revenues and expenditures are not typical for normal operating business, they must be excluded from the financial statements. One can make adjustments that increase revenues or expenses, such as:

- Adjustments related to the reporting of inflationary price changes;
- Increase in the liabilities of an enterprise with amounts from non-accounted taxation acts;
- Adjustments of the method of accounting for stock or amortizations;
- Return into the balance sheet of working, but fully depreciated assets etc.

TRANSFORMATION OF ACCOUNTING

Transformation of accountability for the purposes of adjusting the model should constitute a procedure to bring all accounts to international standards. This requires recalculation of statements compiled after national standards, in an international format.

In summary, the adjustment procedure is illustrated in Fig. 1.

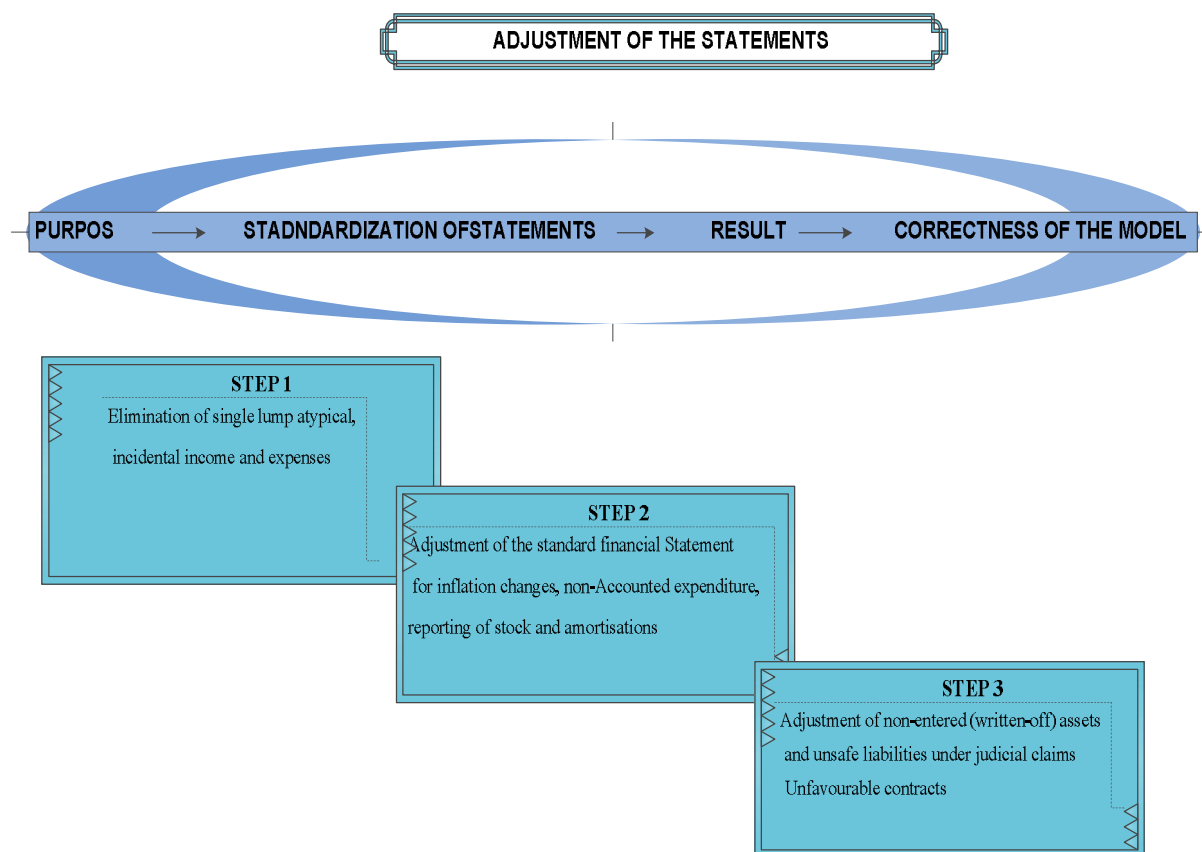


Fig. 1 The procedure for adjusting the financial statements

CONCLUSION

We're already in an era of new turbulence and its duration may collapse the whole economy and cause a decline, recession, even a long-term depression. At a certain stage of development each organization may face the problem of "bankruptcy", for which it should be prepared in order to take prompt and effective measures to overcome it and make the right choice of a strategy for a further development. Addressing this issue is a complex task, since it requires the use of a precise model to help correctly predict the results. In modern science and practice there are many and various models among which

most applied are the Z- models developed by E. Altman (Edward Altman). In order to establish their feasibility, a study was performed on 14 randomly selected Bulgarian enterprises of the furniture industry for a period covering 2007 to 2012. The authors adhere to the Altman models for predicting the risk of bankruptcy, but in a modified version, taking into account the specifics of the Bulgarian economy.

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THE IMPACT OF INTERNET BANKING ON CUSTOMER BEHAVIOR /SOCIETY WITH SPECIAL REFERENCE TO SOLAPUR DISTRICT: A MULTIDIMENSIONAL STUDY

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ABSTRACT

Internet Banking is also called Net-Banking, E-Banking, Online-Banking and virtual banking. Internet banking is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by bank. Internet banking is one of the best facility provided by various bank to people. Internet banking is mail-stone of bank, it is medium used to provide the various facilities to customers. Convenience of the internet banking manually decrease the load of bank. Using internet banking customer can pay different bills like electricity, phone-bill, insurance monthly pay, Recharge their Prepaid Mobile, DTH recharge, Book IRCTC Tickets online, Pay your Taxes online and so on.

Internet is an incredibly convenient and powerful tool, letting you do everything you want with your accounts at the click of a mouse. Now monitor, transact and control your bank account online through internet banking service. You can do multiple things from the comforts of your home or office with Internet Banking, a one stop solution for all your banking needs. You can now get all your accounts details, submit requests and undertake a wide range of transactions online. Using internet banking service makes banking a lot more easy and effective.

Keywords: Internet Banking, Framework of Internet Banking in India, Facilities provided by Bank through Internet-Banking

REVIEW OF LITERATURE

As our college is a Research Centre, large amount of books on Computer, E-learning, E-commerce, Networking, Information Communication Technology and also Information Technology are available in our library. We have come across that there is huge amount of research work is carried out on variety of aspects, topics and areas.

Recently, a new facility has been availed by YCMOU for the research students to take a review of literature through EBSCO International database on web site. It contains large amount of full text journals and I have gone through it. The Internet banking is the latest banking system in our city, so as per my concern nobody has studied on Internet Banking. Therefore, I have selected a case study of impact of internet banking.

HYPOTHESIS

- The internet banking system has reduced the rigidity in the traditional banking system.
- Going to bank branch is inevitable part of banking system, in traditional banking.
- It improves the awareness of customer.
- Traditional banking System deserves to be replaced by internet banking.

OBJECTIVES OF THE PRESENT STUDY

An attempt is made in this study to-

- 1) To study in detail internet banking.
- 2) To study the concept of Indian banking
- 3) To study the structure, functioning and services of Internet Banking.
- 4) To study the facilities provided by internet banking.
- 5) To focus/highlight the benefits/advantages of E-Banking.

METHODOLOGY

Research is the systematic process of collecting and analyzing information to increase our understanding of the phenomenon under study. It is the function of the researcher to contribute to the understanding of the phenomenon and to communicate that understanding to others. Qualitative Research is collecting, analyzing, and interpreting data by observing what people do and say. It refers to the meanings, concepts, definitions, characteristics, metaphors, symbols, and descriptions of things. Field work is an ideal methodology when a holistic, in-depth investigation is needed.

The present investigation is based on internet banking. The data is be collected from primary and secondary sources. The primary sources include interviews, questionnaires, discussions etc. and secondary sources include the articles from scholarly journals or presented papers as well as the internet web pages would be the part of secondary sources.

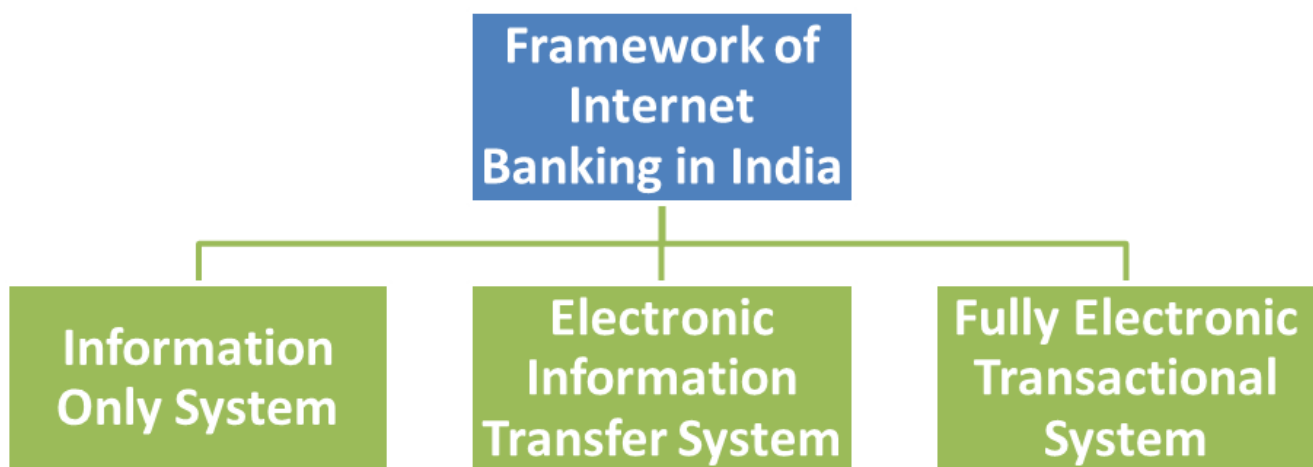
INTERNET BANKING

A system allowing individuals to perform banking activities at home, via the internet. Some online banks are traditional banks which also offer online banking, while others are online only and have no physical presence. Online banking through traditional banks enable customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments, and stop payment requests, and some even offer online loan and credit card applications. Account information can be accessed anytime, day or night, and can be done from anywhere.

Internet banking (or E-banking) means any user with a personal computer and a browser can get connected to his bank -s website to perform any of the virtual banking functions. In internet banking system the bank has a centralized database that web enables. All the services that the bank has permitted on the internet are displayed in menu. Any service can be selected and further interaction is dictated by the nature of service. The traditional branch model of bank is now giving place to an alternative delivery channels with ATM network. Once the branch offices of bank are interconnected through terrestrial or satellite links, there would be no physical identity for any branch. It would a borderless entity permitting anytime, anywhere and anyhow banking.

CONCEPTUAL FRAMEWORK OF INTERNET BANKING IN INDIA

The Reserve Bank of India constituted a working group on Internet Banking. The group divided the internet banking products in India into three types based on the levels of access granted. They are the following:

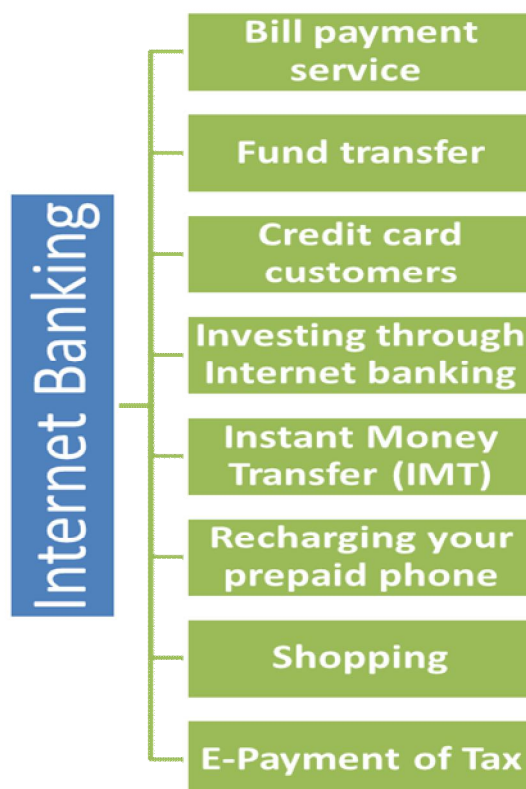


- 1) **Information Only System:** General purpose information like interest rates, branch location, bank products and their features, loan and deposit calculations are provided in the banks website. There exist facilities for downloading various types of application forms. The communication is normally done through e-mail. There is no interaction between the customer and bank's application system. No identification of the customer is done. In this system, there is no possibility of any unauthorized person getting into production systems of the bank through internet.
- 2) **Electronic Information Transfer System:** The system provides customer specific information in the form of account balances, transaction details, and statement of accounts. The information is still largely of the 'read only' format. Identification and authentication of the customer is through password. The information is fetched from the bank's application system either in batch mode or off-line. The application systems cannot directly access through the internet.
- 3) **Fully Electronic Transactional System:** This system allows bi-directional capabilities. Transactions can be submitted by the customer for online update. This system requires high degree of security and control. In this environment, web server and application systems are linked over secure infrastructure. It comprises technology covering computerization, networking and security, inter-bank payment gateway and legal infrastructure.

FACILITIES PROVIDED BY CORE-BANKING

- **Automated Teller Machine (ATM):** ATM is designed to perform the most important function of bank. It is operated by plastic card with its special features. The plastic card is replacing cheque, personal attendance of the customer, banking hours restrictions and paper based verification. There are debit cards. ATMs used as spring board for Electronic Fund Transfer. It itself can provide information about customers account and also receive instructions from customers (ATM cardholders). It is an Electronic Fund Transfer terminal capable of handling cash deposits, transfer between accounts, balance enquiries, cash withdrawals and pay bills. It may be on-line or Off-line. The on-line ATN enables the customer to avail banking facilities from anywhere. In off-line the facilities are confined to that particular ATM assigned. Any customer possessing ATM card issued by the hared payment network system can go to any ATM linked to shared payment networks and perform his transactions.
- **Credit Cards/Debit Cards:** The Credit Card holder is empowered to spend wherever and whenever he wants with his Credit Card within the limits fixed by his bank. Credit Card is a postpaid card. Debit Card, on the other hand, is a prepaid card with some stored value. Every time a person uses this card, the Internet Banking house gets money transferred to its account from the bank of the buyer. The buyers account is debited with the exact amount of purchases. An individual has to open an account with the issuing bank which gives debit card with a Personal Identification Number (PIN). When he makes a purchase, he enters his PIN on shops PIN pad. When the card is slurped through the electronic terminal, it dials the acquiring bank system - either Master Card or VISA that validates the PIN and finds out from the issuing bank whether to accept or decline the transactions. The customer can never overspend because the system rejects any transaction which exceeds the balance in his account. The bank never faces a default because the amount spent is debited immediately from the customer's account.
- **Smart Card:** Banks are adding chips to their current magnetic stripe cards to enhance security and offer new service, called Smart Cards. Smart Cards allow thousands of times of information storable on magnetic stripe cards. In addition, these cards are highly secure, more reliable and perform multiple functions. They hold a large amount of personal information, from medical and health history to personal banking and personal preferences.

FACILITIES PROVIDED BY BANK THROUGH INTERNET-BANKING



- **Bill payment service :** You can facilitate payment of electricity and telephone bills, mobile phone, credit card and insurance premium bills as each bank has tie-ups with various utility companies, service providers

and insurance companies, across the country. To pay your bills, all you need to do is complete a simple one-time registration for each biller. You can also set up standing instructions online to pay our recurring bill, automatically. Generally, the bank does not charge customers for online bill payment.

- **Fund transfer:** You can transfer any amount from one account to another of the same or any another bank. Customers can send money anywhere in India. Once you login to your account, you need to mention the payee's account number, his bank and the branch. The transfer will take place in a day or so, whereas in a traditional method, it takes about three working days. Bank says that online bill payment service and fund transfer facility have been their most popular online services.
- **Credit card customers:** With Internet banking, customers can not only pay their credit card bills online but also get a loan on their cards. If you lose your credit card, you can report lost and online.
- **Investing through Internet banking:** You can now open an FD online through funds transfer. Now investors with interlinked demat account and bank account can easily trade in the stock market and the amount will be automatically debited from their respective bank accounts and the shares will be credited in their demat account. Moreover, some banks even give you the facility to purchase mutual funds directly from the online banking system..Nowadays, most leading banks offer both online banking and demat account. However if you have your demat account with independent share brokers, then you need to sign a special form, which will link your two accounts.
- **Instant Money Transfer (IMT):** Instant Money Transfer is an innovative, instant and safe money transfer facility with Card less withdrawal at Bank's ATM. It allows Bank's customer to send money to a beneficiary / receiver (who may not be a customer of Bank of India / any other Bank) only by using his/her mobile number. Currently, initiation of an IMT can happen through Internet Banking / any Bank of India ATM, while withdrawal is restricted to Bank's, IMT enabled ATMs only.
- **Recharging your prepaid phone:** Now just top-up your prepaid mobile cards by logging in to Internet banking. By just selecting your operator's name, entering your mobile number and the amount for recharge, your phone is again back in action within few minutes.
- **Shopping :** With a range of all kind of products, you can shop online and the payment is also made conveniently through your account. You can also buy railway and air tickets through Internet banking.
- **E-Payment of Tax:** This is a facility provided to the taxpayers to make income tax payments through internet, using net-banking facility. All Direct Taxes e.g. Income Tax, Corporate tax, FBT, BCTT (TDS, Advance tax, self-assessment tax) to be paid online using net banking facility. It is mandatory for all Companies and 44AB cases from 1st April 2008 to pay taxes through e-payment facility using net banking account. Taxpayer can make tax payment from any location without going to Bank branch.

ANALYSIS AND INTERPRETATION OF DATA

The ambitious project of internet banking is launched by E-Banking. The following details guide to go through the project to have its birds-eye-view. It would help to generalize and estimate the actual contribution for betterment and uplifting common people.

- **The various Banks in Solapur district providing the facilities of core banking:**

| Sr. No. | Name of bank | Total Branches |
|---------|---------------------|----------------|
| 1. | State bank of India | 64 |
| 2. | SBH | 43 |
| 3. | ICIC | 13 |
| 4. | HDFC | 24 |
| 5. | Federal Bank | 7 |
| 6. | Bank of Maharashtra | 52 |
| 7. | Bank of Baroda | 19 |
| 8. | AXIS Bank | 18 |

Table 1

The table indicates bank Name-wise branches in the Solapur district.

- People's opinions about Traditional Banking and Internet Banking

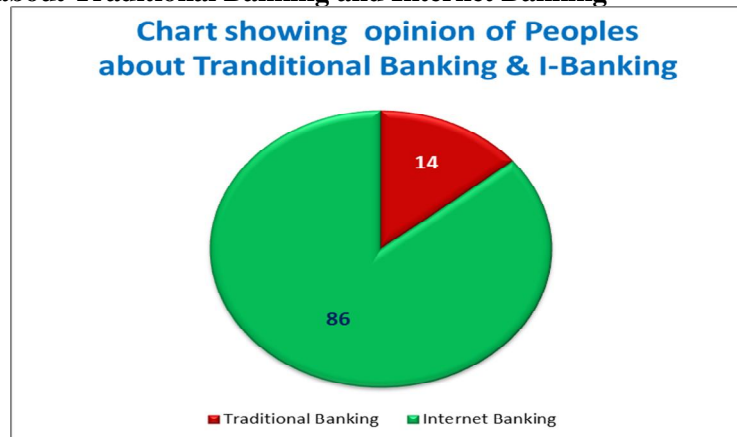


Chart 1

The pie chart shows that 86 percent peoples are of the opinion that there should be internet banking as a substitute for existing traditional banking, however still there are 14 percent who consider it negatively and stand in opposition.

CONCLUSION

The banking industry has been a leader in the E-Business world in recent years. The internet-banking revolution has fundamentally changed the business of banking by scaling borders and bringing about new opportunities. In India also, it has strongly impacted the strategic business considerations for banks by significantly cutting down costs of delivery and transactions. Compared to developed countries, developing countries face many impediments that affect the successful implementation of internet-banking initiatives. One of the benefits that banks experience when using internet-banking is increased customer satisfaction.

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THE IMPACT OF INTERNET BANKING SERVICE ON CUSTOMER SATISFACTION IN INDIA

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ABSTRACT

Electronic banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. E-Banking is also called Internet banking, on-line banking or PC banking. E-Banking may include ATMs, wire transfers, telephone banking, electronic funds transfers and debit cards. Nowadays, internet banking sites process customer service inquiries, allow transactions from one account to another, take loan applications, open new accounts etc. Some provide commercial services and others are full service banks rushing to get there. In addition to the rapid deployment of electronic bank 'branches' an entire financial community has suddenly appeared, offering most and financial service a customer could want. New forms of money are being coined to pay for transactions, and untraceable payment protocols are being tested and marketed. Today banking industry has undergone a sea change. Today bank employees need to provide quality information at the branch at his/her finger tips. It is also necessary that the information should be consistent with all branches and other direct access channels like ATM's. Phone Banking, Mobile banking and Net banking throughout the country. The banking industry should always adapt to the new technology today and basically make the necessary adjustments to gain competitive advantage with other competing banks. This study is designed to evaluate electronic banking, more commonly known as e-banking as a strategy and related methods adopted by selected commercial banks in India to improve the customer satisfaction, which plays a major part in the service industry. It also reveals the problems faced by the customer in E-banking and finally recommend solutions based on the study.

INTRODUCTION

Electronic Banking has began with the use of automatic teller machines (ATMs) and later it has included telephone banking, direct bill payment, electronic fund transfer, online banking and other electronic transactions. In future e-banking will develop into mobile banking. To use the online services of banks, the customer requires a personal computer and an Internet connection. Also, their personal computers will be their assistant who will assist them in their transactions and services. Examples of those transactions are paying bills, accessing information about accounts and loans, and etc.

Today banking industry has undergone a sea change. Today bank employees need to provide quality information at the branch at his/her finger tips. It is also necessary that the information should be consistent with all branches and other direct access channels like ATM's. Phone Banking, Mobile banking and Net banking throughout the country. The banking industry should always adapt to the new technology today and basically make the necessary adjustments to gain competitive advantage with other competing banks.

OBJECTIVES OF THE STUDY

1. To know about the new trends in banking
2. To understand the different issues in e-banking.
3. To know about the customer satisfaction in E- banking transactions
4. To know the problems faced by the customer in E-banking
5. To recommend solutions based on the study

RESEARCH METHODOLOGY

In a view to precede the research in a systematic way the following research methodology has been used. By means of obtaining detailed opinion of the customers, this research falls under the category of descriptive research. Both primary and secondary data collection was made. As a source of primary data collection the interview schedule was prepared in a view to obtain information from the respondents and apart from this to gather some relevant secondary information the secondary data were obtained from news papers, magazines,

records, websites and books as a source. The primary data was collected from about 120 respondents. Based on the information obtained through the questionnaire cum interview schedule the data were coded and some of the analytical tools like Simple Percentage and Chi-square methods were used to analyze the data. The first two objectives are attained by collecting the secondary data from various journals, magazine and web sites.

NEW TRENDS IN BANKING

The Banks in India have flourished not just in numbers but also in their services, products and client base. They have succeeded in reaching out to Rural India through the Mobile ATM's, special rural branches and specialized finance options for the farmers, rural women and the Small-Scale Industries (SSI's). The mortgage rates and interest rates are slashed to attract the masses to the banking facilities.

Personalized services like Special Bank Accounts to cater to individual needs, Mobile and Internet Banking, doorstep banking and multi city or international banking have attracted customers in exponential multiplication.

The Banking Solutions itself employ a large number of people and provide numerous job opportunities to many people. Finance, Banking and Customer Care are some of most preferred profile in bank jobs. The policies differ from bank to bank but the core remains the same - to provide the most convenient and safe banking options to the people.

ISSUES IN E-BANKING

One of the issues currently being addressed is the impact of e-banking on traditional banking players. If there are advantages in venturing to E-banking, there are also disadvantages. Even the pioneers of E-banking are not sure of what this technology can bring in the future. The following issues can be considered in e-banking:

1. E-banks are easy to set up so lots of new entrants will arrive. So with this issue, companies especially the Telecom Networks have the greater advantage because it's much closer to the people. Having a cellular phone is very essential nowadays, and it is currently the trend. Companies use this as a way to attract consumers.
2. Traditional banks will find it difficult to evolve. With this issue, it's very simple, even though the concept of E-banking is about doing transactions with ease, trying to evolve into one is difficult. It really requires study, and analyzing competitors and using advertising as a main weapon to attract consumers.
3. E-banking is just banking offered via a new delivery channel. It simply gives consumers another service. E-banking is still the same banking; the only thing that changed is the process that's why is much faster and more responsive than the old way.
4. The start-up costs of an e-bank are high. Starting this kind of technology requires a large amount; this covers the advertising expenditure, and the purchasing of the said technology.

ANALYSIS AND INTERPRETATION OF THE PRIMARY DATA

1. Demographic, socio and economic background of respondents:

The distributions of the Demographic, socio economic profile of the respondents are as follows:

Table No. 1: Distribution of Respondents on the basis of Demographic, Socio Economic background Profile

| | Profile of the customer | No. of Respondents | Percentage |
|---|-------------------------|--------------------|------------|
| 1 | AGE | | |
| | < 25 | 6 | 5.0 |
| | 25-35 | 46 | 38 |
| | 35-45 | 44 | 37 |
| | 45-55 | 16 | 13 |
| | > 55 | 8 | 7 |
| 2 | EDUCATION | | |
| | Higher Secondary | 0 | 0 |

| | | | |
|---|---|----|----|
| | Graduation | 52 | 43 |
| | Post Graduation | 45 | 38 |
| | Professional | 12 | 10 |
| | Others | 11 | 9 |
| 3 | OCCUPATION | | |
| | Govt. Employee | 16 | 13 |
| | Business | 46 | 38 |
| | Professional | 49 | 41 |
| | Student | 9 | 8 |
| | Other | 0 | 0 |
| 4 | NO. OF YEARS THEY HAVE ACCOUNT WITH THE BANK | | |
| | Less than 1 year | 16 | 13 |
| | 1 year to 3 years | 27 | 22 |
| | 3 years to 5 years | 32 | 27 |
| | 5 years to 7 years | 26 | 22 |
| | More than 7 years | 19 | 16 |
| 5 | TYPE OF ACCOUNT | | |
| | Savings Bank a/c | 61 | 51 |
| | Current a/c | 47 | 39 |
| | Recurring Deposit a/c | 12 | 10 |
| 6 | AMOUNT OF DEPOSIT | | |
| | Below Rs.10,000 | 30 | 25 |
| | Rs.10,000 to 50,000 | 26 | 22 |
| | Rs.50,000 to Rs.1,00,000 | 31 | 25 |
| | Above Rs.1,00,000 | 33 | 28 |

Inference:

Age

From the above table it is clear that 5% of the respondents belongs to the age group of <25, 38% of them are 25-35 years of age, 37% of them are between 35-45 years, 13% of them are between 45-55 years and 7% of them are above the age of 55 years.

Education

The above table shows that 43% of the respondents have completed graduation, 38% of them are post graduates, 10% of them are professionals and 9% of them belong to other category.

Occupation

With regard to occupation, the above table shows that 13% of the respondents are Government Employees, 38% of the respondents are doing business, 41% of them are Professionals, 8% are Students and 13% belongs to Others Category.

Relationship with the bank

The above table shows that 13% of the respondents have less than 1 year of relationship with the bank, 22% of them have 1 to 3 years, 27% of them having 3 to 5 years, 22% of them are having 5 to 7 years of relationship, and 16% of them are having account with the bank for more than 7 years.

Type of account with the bank

The above table shows that 51% of the respondents are having saving account, 39% of them are having current account and 10% of them are having recurring deposit account

Amount of deposit with the bank

The table shows 25% of them are having below Rs1,00,000 as deposit in the bank, 22% of them are having Rs.50,000 to Rs1,00,000 ; 25% of them are having Rs10,000 to Rs.50,000; and 28% of them are having below Rs.10,000 as deposit in the bank.

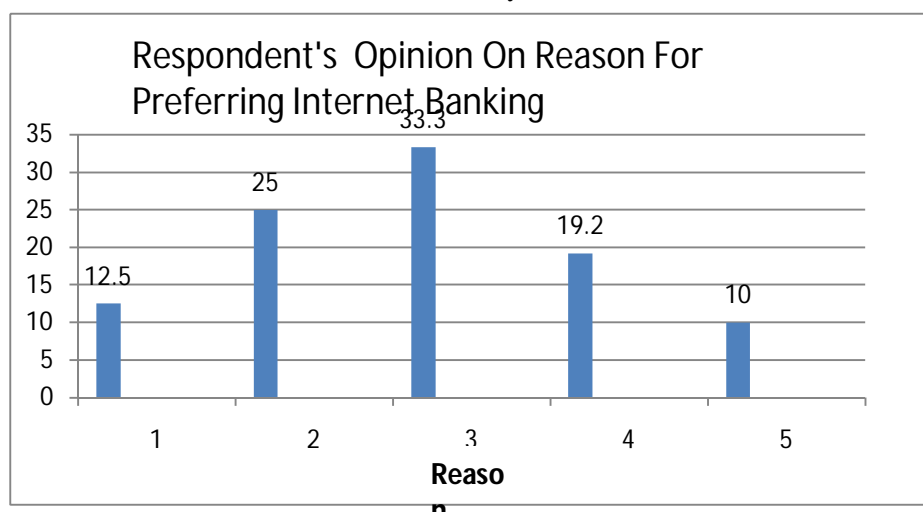
2. Table showing respondents’ opinion on reason for preferring Internet banking

| Opinion | No. of respondents | Percentages of Respondents |
|-----------------------------|--------------------|----------------------------|
| Convenience | 15 | 12.5 |
| Easy Accessibility | 30 | 25.0 |
| Quickness | 40 | 33.3 |
| Availability of information | 23 | 19.2 |
| Faster Response | 12 | 10.0 |
| Total | 120 | 100 |

Source: Questionnaire cum Interview Schedule

Inference

The above table shows that 33.3% of the respondents prefer E-Banking for Quickness, 25% prefer it for easy accessibility, 12.5% for Convenience, 19.2% for availability of information and 10% for faster response.



Source: Questionnaire Cum Interview Schedule

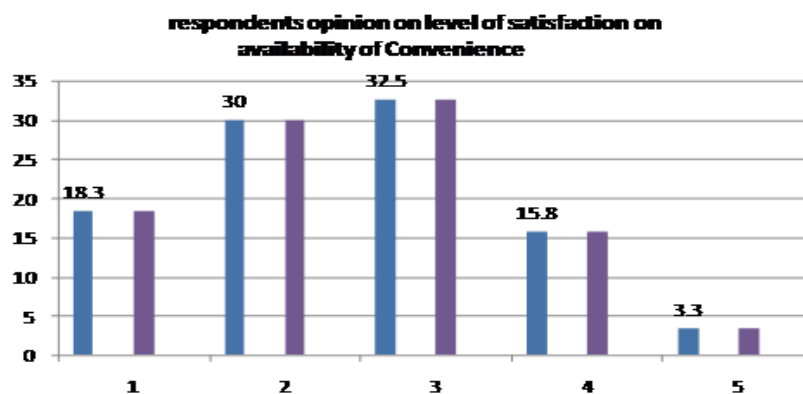
3. Table showing respondent’s opinion on level of satisfaction on availability of Convenience

| Opinion | No. of respondents | Percentage of Respondents |
|---------------------|--------------------|---------------------------|
| Highly Satisfied | 22 | 18.3 |
| Satisfied | 36 | 30.0 |
| Neutral | 39 | 32.5 |
| Dissatisfied | 19 | 15.8 |
| Highly dissatisfied | 4 | 3.3 |
| Total | 120 | 100 |

Source: Questionnaire Cum Interview Schedule

Inference

The above table shows that 18.3% of the respondents are highly satisfied, 30% are satisfied, 32.5% have a neutral opinion, 15.8% are dissatisfied and 3.3% are highly dissatisfied with regard to availability of convenience in e-banking.



Source: Questionnaire Cum Interview Schedule

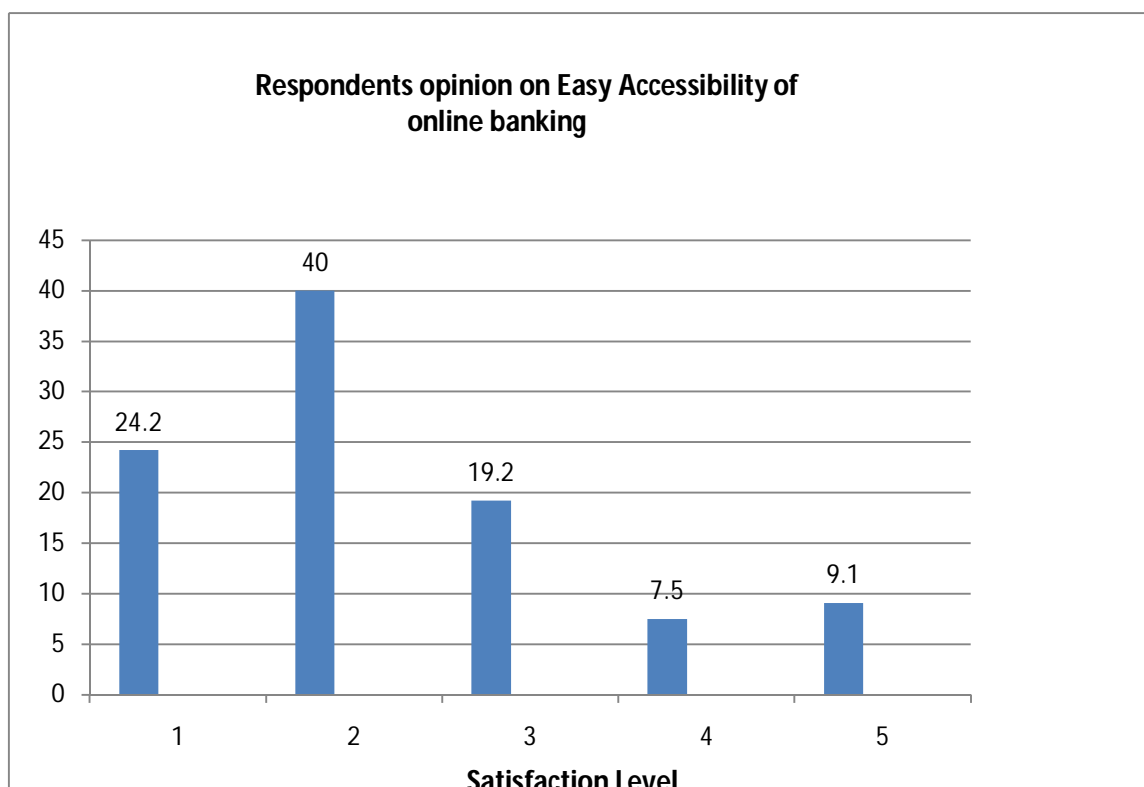
4. Table showing the respondents opinion on Easy Accessibility of online banking

| Opinion | No of respondents | Percentage |
|---------------------|-------------------|------------|
| Highly Satisfied | 29 | 24.2 |
| Satisfied | 48 | 40.0 |
| Neutral | 23 | 19.2 |
| Dissatisfied | 9 | 7.5 |
| Highly Dissatisfied | 11 | 9.2 |
| Total | 120 | 100 |

Source: Questionnaire Cum Interview Schedule

Inference

The above table shows that 24.2% are highly satisfied, 40% are satisfied, 19.2% have a neutral opinion, 7.5% are dissatisfied and 9.2% are highly dissatisfied with regard to easy accessibility of online banking.



Source: Questionnaire Cum Interview Schedule

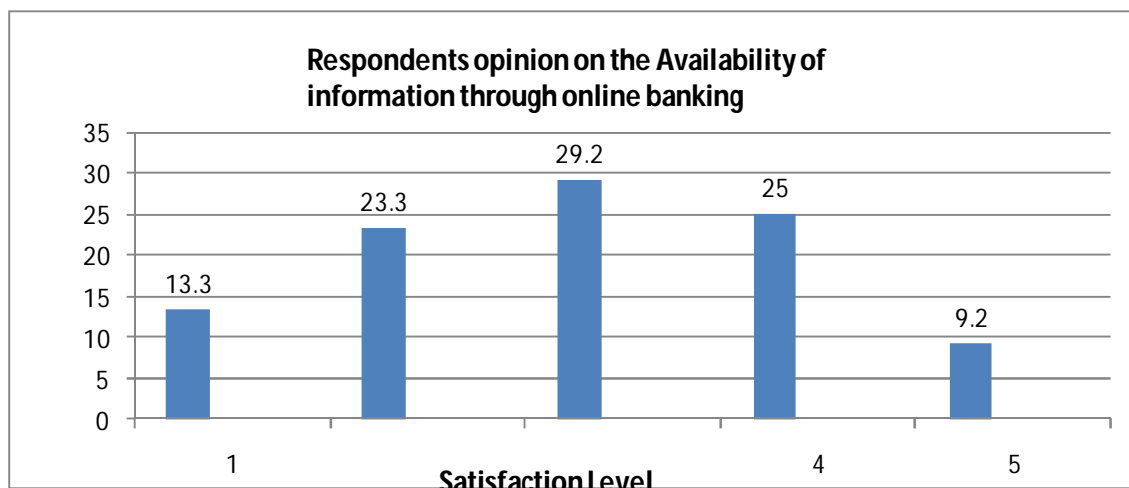
5. Table showing respondents opinion on the Availability of information through online banking

| Opinion | No of respondents | Percentage |
|---------------------|-------------------|------------|
| Highly Satisfied | 16 | 13.3 |
| Satisfied | 28 | 23.3 |
| Neutral | 35 | 29.2 |
| Dissatisfied | 30 | 25.0 |
| Highly Dissatisfied | 11 | 9.2 |
| Total | 120 | 100 |

Source: Questionnaire Cum Interview Schedule

Inference

The above table shows that 13.3% of the respondents are highly satisfied, 23.3% of them are satisfied, 29.2% have a neutral opinion, 25% are dissatisfied, and 9.2% are highly dissatisfied with regard to the availability of information through online banking.



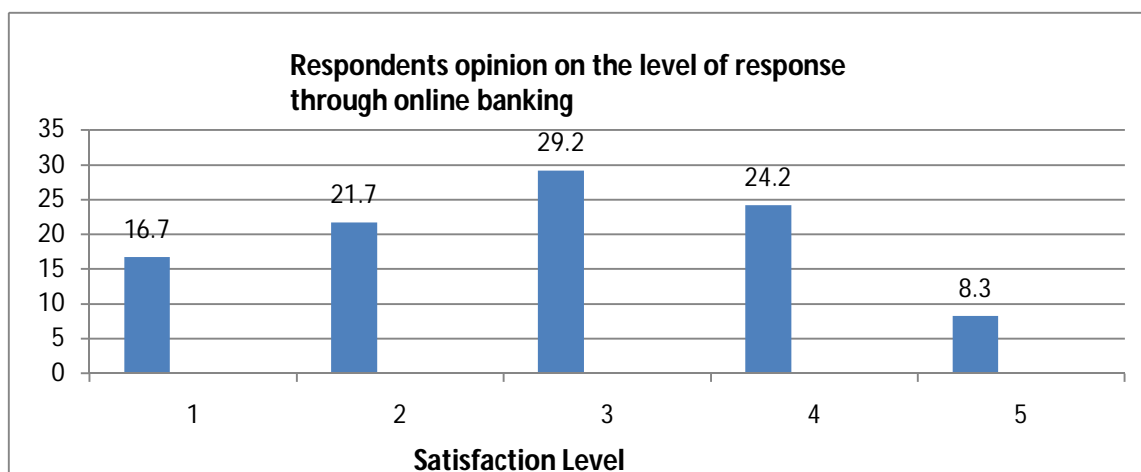
6. Table showing respondents opinion on the level of response through online banking

| Opinion | No of respondents | Percentage |
|---------------------|-------------------|------------|
| Highly Satisfied | 20 | 16.7 |
| Satisfied | 26 | 21.7 |
| Neutral | 35 | 29.2 |
| Dissatisfied | 29 | 24.2 |
| Highly Dissatisfied | 10 | 8.3 |

Source: Questionnaire Cum Interview Schedule

Inference

From the above table it is very clear that 16.7% of the respondents where highly satisfied in the level of response in online banking, 21.7% of them are satisfied, 29.2% of them have a neutral opinion, 24.2% of them are dissatisfied and 8.3% of them are highly dissatisfied.



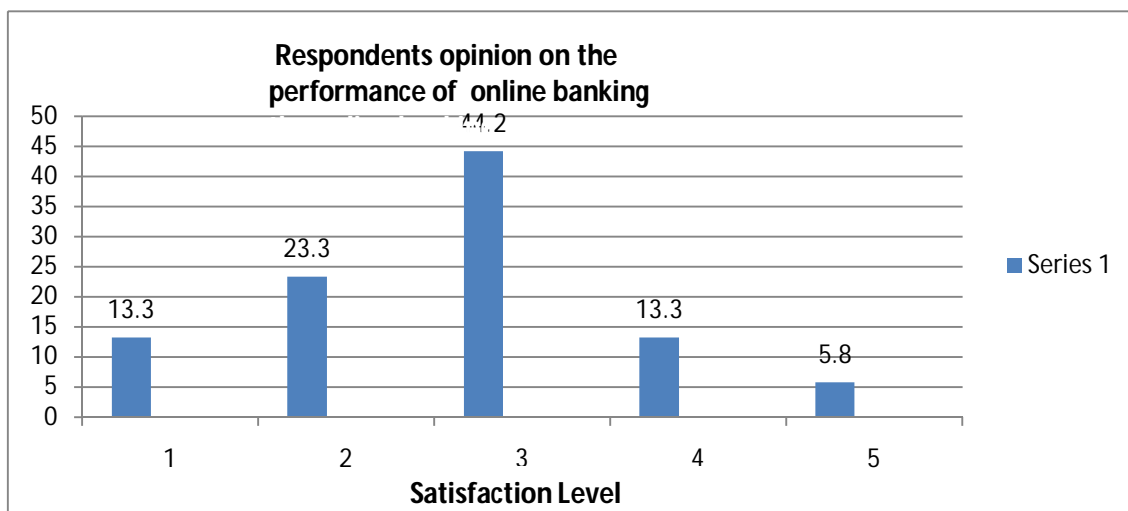
7. Table showing the respondents opinion on the performance of the online banking

| Opinion | No of respondents | Percentage |
|---------------------|-------------------|------------|
| Highly Satisfied | 16 | 13.3 |
| Satisfied | 28 | 23.3 |
| Neutral | 53 | 44.2 |
| Dissatisfied | 16 | 13.3 |
| Highly Dissatisfied | 07 | 5.8 |
| Total | 120 | 100 |

Source: Questionnaire Cum Interview Schedule

Inference

The above table shows that 13.3% of respondents are highly satisfied, 23.3% are satisfied, 44.2% have a neutral opinion, 13.3% are dissatisfied and 5.8% are highly dissatisfied regarding the performance of online banking.



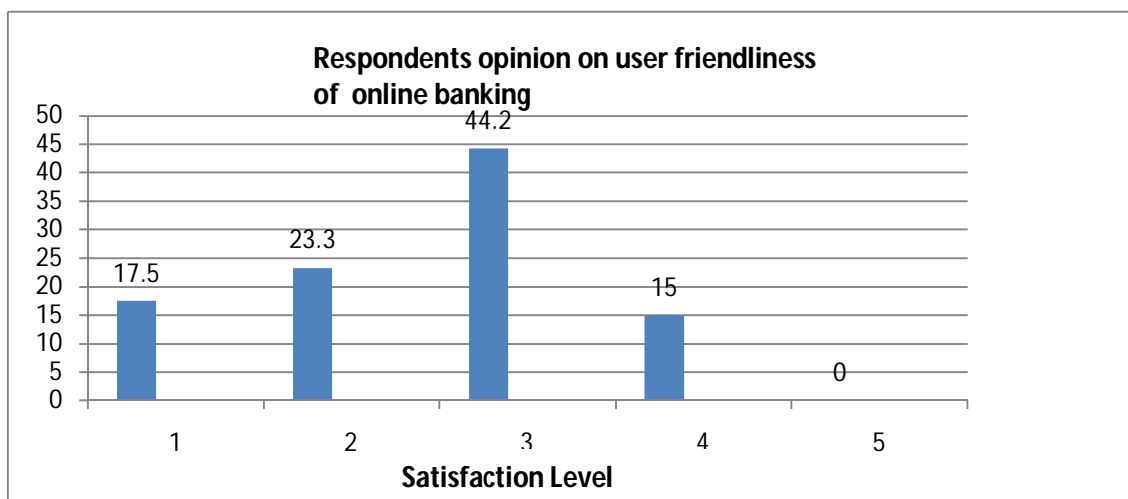
8. Table showing the opinion on user friendliness of online banking

| Opinion | No of respondents | Percentage |
|---------------------|-------------------|------------|
| Highly Satisfied | 21 | 17.5 |
| Satisfied | 28 | 23.3 |
| Neutral | 53 | 44.2 |
| Dissatisfied | 18 | 15 |
| Highly Dissatisfied | 0 | 0 |
| Total | 120 | 100 |

Source: Questionnaire Cum Interview Schedule

Inference

The above table shows that the 17.5% of them are highly satisfied, 23.3% are satisfied, 44.2% are having neutral opinion, 15% are dissatisfied, and 0% is highly dissatisfied regarding user friendliness of e-banking products.



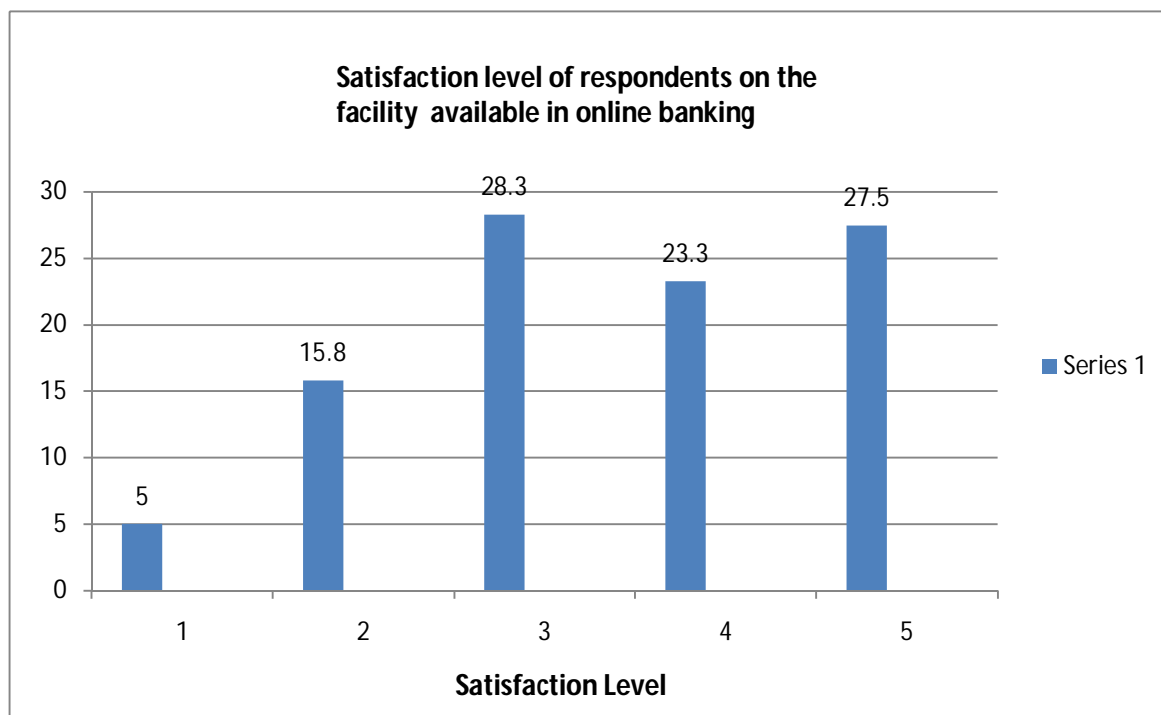
9. Table showing the satisfaction level of respondents on the facility available in online banking

| Opinion | No of respondents | Percentage |
|---------------------|-------------------|------------|
| Highly Satisfied | 6 | 5 |
| Satisfied | 19 | 15.8 |
| Neutral | 34 | 28.3 |
| Dissatisfied | 28 | 23.3 |
| Highly Dissatisfied | 33 | 27.5 |
| Total | 120 | 100 |

Source: Questionnaire Cum Interview Schedule

Inference

The above table shows that the 5% of them are highly satisfied, 15.8% are satisfied, 28.3% are having neutral opinion, 23.3% are dissatisfied and 27.5% are highly dissatisfied regarding the facilities available through Internet Banking.



10. Table showing the customer preference in banking activists through internet

| Opinion | No of respondents | Percentage |
|--------------------|-------------------|------------|
| Withdrawal of cash | 16 | 13.3 |
| Depositing cash | 29 | 24.2 |
| Transfer of Funds | 57 | 47.5 |
| Utility Services | 13 | 10.8 |
| Balance enquiry | 05 | 4.2 |
| Total | 120 | 100 |

Source: Questionnaire Cum Interview Schedule

Inference

The above table shows that 13.3% of the respondents prefer e-banking for withdrawal of cash, 24.2% for depositing cash, 47.5% for transfer of funds, 10.8% of utility services, 4.2% for balance enquiry.

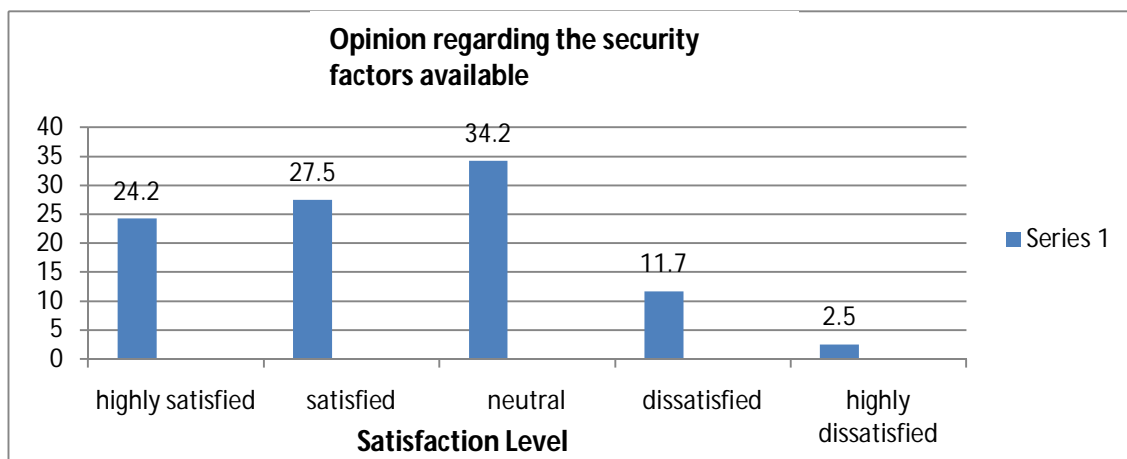
11. Table showing the opinion regarding the security factors available

| Opinion | No of respondents | Percentage |
|---------------------|-------------------|------------|
| Highly Satisfied | 29 | 24.2 |
| Satisfied | 33 | 27.5 |
| Neutral | 41 | 34.2 |
| Dissatisfied | 14 | 11.7 |
| Highly Dissatisfied | 3 | 2.5 |
| Total | 120 | 100 |

Source: Questionnaire Cum Interview Schedule

Inference

The table shows about the satisfaction level in the security provided in online banking transactions. 24.2% of them are highly satisfied, 27.5% of them are satisfied, 34.2% are having a neutral opinion, 11.7% of them are dissatisfied and 2.5% of them are highly dissatisfied regarding the same.

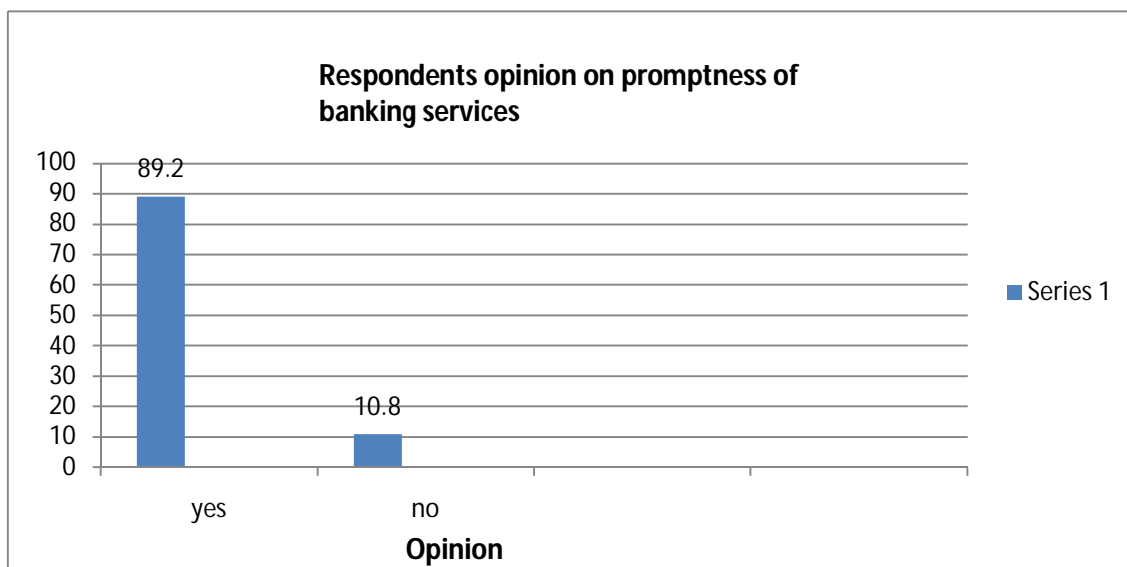


12. Table showing respondent’s opinion on promptness of banking services

| Option | No. of respondent | Percentage |
|--------|-------------------|------------|
| Yes | 107 | 89.2 |
| No | 13 | 10.8 |
| Total | 120 | 100 |

Inference

89.2% of respondents are accepted that bank offers promptness in their services and 10.8% have a negative opinion on this.



CHI-SQUARE ANALYSIS

Relationship between demographic variables and respondents satisfaction regarding e-banking

H0: There is no relationship between demographic variables and respondents satisfaction regarding e-banking

H1: There is a relationship between demographic variables and respondents satisfaction regarding e-banking

The opinion of respondents obtained in the following factors – denoted as F1 – F11

F1. Reason for preferring Internet banking

F2. Satisfaction on availability of Convenience

F3. Easy Accessibility of online banking

F4. Availability of information through online banking

F5. Response through online banking

F6. Performance of the online banking

F7. User friendliness of online banking

- F8. Facilities available in online banking
- F9. Preference in banking activists through internet
- F10. Security factors available
- F11. Promptness of banking services

| Demographic Variables | Satisfaction of respondents on e-banking – chi-square values | | | | | | | | | | |
|-------------------------------------|--|------|------|------|------|------|------|------|------|------|------|
| | F1 | F2 | F3 | F4 | F5 | F6 | F7 | F8 | F9 | F10 | F11 |
| Age | .013 | .008 | .045 | .044 | .010 | .000 | .004 | .725 | .019 | .186 | .146 |
| Sex | .307 | .047 | .159 | .050 | .002 | .080 | .032 | .148 | .003 | .378 | .888 |
| Education | .071 | .114 | .226 | .287 | .114 | .141 | .001 | .055 | .429 | .002 | .456 |
| Occupation | .284 | .074 | .360 | .076 | .217 | .275 | .096 | .428 | .359 | .007 | .620 |
| Years of relationship with the bank | .010 | .512 | .449 | .009 | .590 | .010 | .735 | .061 | .113 | .006 | .602 |
| Account type | .050 | .083 | .129 | .001 | .015 | .202 | .025 | .022 | .000 | .073 | .366 |
| Amount deposited | .011 | .352 | .058 | .006 | .026 | .327 | .038 | .383 | .002 | .079 | .280 |

1. The above table reveals that there is a relationship between the respondent’s opinions on reason for preferring Internet banking and the demographic variables like Age, Years of relationship with the bank, Account type and amount deposited.
2. There is relationship between respondent’s opinion on Satisfaction on availability of convenience and the demographic variables like age and sex and it is not having any relationship with other demographic variables.
3. There is relationship between respondent’s opinion on easy accessibility of online banking and demographic variables like age. Other variables are not having any relationship.
4. There is relationship between respondent’s opinion on availability of information through online banking and demographic variables like age, sex, years of relationship with the bank, account types and amount deposited. Other variables are not having any relationship.
5. There is relationship between respondent’s opinion on faster response through online banking and demographic variables like age, sex, account types and amount deposited.
6. Other variables are not having any relationship.
7. There is relationship between respondent’s opinion on performance of online banking and demographic variables like age and years of relationship with the bank. Other variables are not having any relationship.
8. There is relationship between respondent’s opinion on user friendliness of online banking and demographic variables like age, sex, education, account types and amount deposited.
9. Other variables are not having any relationship.
10. There is relationship between respondent’s opinion on facilities available on online banking and demographic variable account type. Other variables are not having any relationship.
11. There is relationship between respondent’s opinion on preference of banking activities through online banking and demographic variables like age, sex, account types and amount deposited. Other variables are not having any relationship.
12. There is relationship between respondent’s opinions on security factors available through online banking and demographic variables like education, occupation and years of relationship with the bank. Other variables are not having any relationship.
13. There is no relationship between respondent’s opinion on promptness of banking services and the different demographic variables.

SUGGESTIONS

- ❖ Above analysis reveals that in general bank customers are happy about the various factors associated with Internet Banking. But still customers have resistance to use internet banking because of Safety issues.
- ❖ In order to retain the customer's online new schemes can be introduced like wishing on their birthday, wedding day. Etc.
- ❖ Age and sex is having main relationship with the satisfaction of customers on online banking. So bankers have to adopt the right strategies to attract and different age group and different sex customers.
- ❖ The customer feels the absences of personnel touch in the online service so the bankers should respond to customers need as soon as possible.
- ❖ The availability of information should be automatic to the customers periodically, before they make enquiry for account details.
- ❖ The customers should be very careful while carrying out online transactions that are transfer of account etc. The most common fear in e-banking or net banking is that of security.
- ❖ Most people avoid Net banking because they fear their account will be broken into by hackers.
- ❖ Customers should never share personal information like PIN numbers, passwords etc with anyone, including employees of the bank. PIN and/or passwords should be changed immediately. Customers should properly sign out their login after usage.

CONCLUSION

Thus E-Banking or Internet Banking is becoming the need of the hour and banks which omit to switch over to e-banking cannot survive in this competitive world. Though e-banking posses lot of threats and insecurity problems these are like two sides of coins where we have both advantages and disadvantages. The duty of the bankers is to concentrate on the latest security aspects like fire walls and they should protect the privacy of their customers. So, once properly used online banking can bring tremendous positive changes to both customers and bankers.

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2. www.buzzle.com
3. www.iba.org.in - Indian Banks' Association

A STUDY OF THE PROBLEMS OF SECONDARY TEACHER EDUCATION INSTITUTIONS IN ASSAM WITH SPECIAL REFERENCE TO THE SECONDARY TEACHER EDUCATION INSTITUTIONS UNDER DIBRUGARH UNIVERSITY

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INTRODUCTION

Teacher Education is most neglected and challenged sector among all other education sector of India in general and particular in North east India. In this modern world also it is a belief of our society that anyone can teach and diagnosed the problems of learners without having any knowledge of psychology and methodology of teaching. The person joins the teaching profession when he is rejected by almost all sectors. One of the main cause of stagnation and dropout of students in secondary sector of Indian education is the teaching by untrained teachers. It is universally accepted that a teacher's personality and professional competence has a direct relation on the growth of young mind. The quality of a particular kind of education is largely dependent on the quality of the teachers. It can be said that professional and personal competence of a teacher is a most important pre-requisite without which even the best curriculum, syllabi and teaching-learning materials cannot ensure desired learning outcome. Therefore, to be a good teacher and also to ensure the desired learning outcome to the target group professional training is a must for every aspiring teacher. Unfortunately, in Assam the teacher education system is yet to be expanded to adjust with the changing educational need of the society. The curriculum and syllabi review effort being undertaken in the context of child centric, joyful and competency based teaching especially at elementary level education has not yet been fully supported by the teacher education programmes. As a result, there is large gap between what is expected and what is achieved at field level. On the other hand, for teaching at Secondary and Sr. Secondary stage B.Ed or M.Ed degree has yet not been made compulsory in the state of Assam. There is no provision for undergoing compulsory in-service teacher training particularly at this stage of school education. As different universities of the state control these teacher training institutions therefore, there is lack of uniformity and continuity in the curriculum and syllabi followed by them. Besides, no visible efforts can be seen for establishing linkage between various teacher education programmes of pre-primary, primary, secondary and higher education level.

Teacher education is an important area of educational system on which the overall development of the country is dependent. In this regard, Kothari Commission has rightly said that the destiny of a nation is shaped in her classrooms. So from this view point, teachers are the nation builders. But all teachers must be sufficiently trained in their teaching profession, so that, they can apply methods and techniques of teaching effectively to impart a lesson in the actual classroom situation. Thus, mainly for this reason only, the importance of Secondary Teacher Education courses has been increasing rapidly in India. In most of the states of India, the Bachelor of Education (B. Ed.) degree has been declared as an essential requirement for appointment to the profession of teaching in secondary schools.

This paper highlights the major findings of an independent research study on the problems of the secondary teacher education institutions in Assam.

OBJECTIVES OF THE PRESENT STUDY

To make an assessment of the problems faced by Secondary Teacher Education Institutions under Dibrugarh University

DELIMITATION OF THE PRESENT STUDY

The present study is limited to the secondary teacher education institutions under Dibrugarh University.

OPERATIONAL DEFINITION OF THE TERMS

Secondary Teacher Education Institutions (B. Ed. Colleges): These institutions refer to Teacher education institutions offering the one-year Secondary Teacher Education course, also known as the B.Ed. course under Dibrugarh University, which have been granted recognition by the National Council for Teacher Education (NCTE) besides being permitted by and affiliated to Dibrugarh University.

1. **Colleges of Teacher Education (CTE):** The College which receives Government financial grant and is under State Government management and control.
2. **University Department:** In this study the Dept of Education, Dibrugarh University is referred as University Department.

3. **Secondary Teacher Education institutions under Private management:** The College of Teacher Education, which is totally under the private management and control and offers only this course.

Secondary Teacher Education Course: In this study, the term refers to the one year B. Ed. Course offered by the Secondary Teacher Education Institutions under Dibrugarh University.

METHODOLOGY

The Researcher used the Survey Study method to achieve the objectives as stated above. The researcher also followed personal Observation technique to collect valid and genuine information from the sampled Secondary Teacher Education Institutions.

Population of the study

All the Secondary Teacher Education Institutions offering B.Ed. course under Dibrugarh University were treated as the population of the Study.

Sample of the Study

To conduct the study, one college was selected from each district under the jurisdiction of Dibrugarh University by using purposive sampling technique. However, in the Dibrugarh District itself, there are four colleges; so the researcher selected two colleges from this district for the sample. So. Total seven secondary teacher education institutions were selected as sample.

Tools used in the study

To collect necessary data for the objective of the study, the Researcher constructed a **Questionnaire** by considering all the aspects of the study. After preparing the Questionnaire, it was given to two Experts for defining the content validity. The first draft of the Questionnaire was revised and modified considering the points suggested by the experts.

The researcher had also prepared a **Check List** to verify the information about the infrastructure which was supposedly available in the sampled colleges as per information of the respondents.

Procedure of Data Collection

In the present study, the collection of data was primary in nature. The researcher used personal investigation technique to collect necessary data and information. The researcher personally visited the sampled institutions to collect authentic data and information. The data were collected during the month of October 2012.

ANALYSIS AND INTERPRETATION OF DATA

The researcher analyzed the collected data and information both qualitatively and quantitatively.

FINDINGS OF THE PRESENT STUDY:

The findings are presented below:

A. Problems related to Financial Management

1. All the different types of sampled Secondary Teacher Education Institutions were of the view that the funds received from different sources were not sufficient for the smooth functioning of the colleges due to which the quality of teacher education had been compromised, at times.
2. The sampled Govt. Colleges of Teacher Education and the University Department did not face any problems of delay in receiving the recurring funds from the Govt. from time to time. The question of recurring state grants did not arise in the case of the private Secondary Teacher Education Institutions as by their very organization, they could not receive any recurring fund from the state govt.
3. On the question of whether the fees for the B.Ed. course were very high as compared to other courses, all the sampled Govt. Colleges of Teacher Education and the University Department of Education responded negatively. Interestingly, over 75% of the private sampled Secondary Teacher Education Institutions also responded in the negative.
4. All the sampled Govt. Colleges of Teacher Education and the University Department honestly opined that although the B.Ed. course in Assam is funded by the state government, yet this funding was not very heavy, but merely a moderately funded one. From the remaining sample, the private Secondary Teacher Education Institutions were of the view that the B.Ed. course is not at all funded by the Government. The majority of

private colleges felt that the private Secondary Teacher Education Institutions should be encouraged in their efforts at human resource development and urged for fund allocation from Government under certain heads, so that they could provide even better quality education in the future for the forthcoming generations.

5. Regarding the question of under-enrolment in the B.Ed. course, all the different types of sampled Secondary Teacher Education Institutions were of the opinion that they did not face the problem of under enrollment; rather they felt that a further increase in enrolment would only lead to compromises in quality, as the B.Ed. curriculum consisted of certain integral activities, such as Practice-teaching in actual school-situation, which would complicate the existing scenario.
6. Regarding the question of whether the Govt. should bear all expenses of all the Colleges for maintenance of quality teacher education, all the sampled Govt. and private Secondary Teacher Education Institutions gave an affirmative response in support of the question. However, the University Department of Education responded in the negative, saying that the institution did not view it as the only factor on which quality of Teacher Education is dependent, and felt that quality is dependent on several other factors than mere financial security.
7. In this study, it was found that, all the sampled Govt. Colleges of Teacher Education, the University Department of Education, and 75% of the sampled private Secondary Teacher Education Institutions were of the view that the cost-factor of the B. Ed. course is not a factor which *de-motivates* the untrained teachers to take up the course.
8. In this study, it was also found that all the sampled Secondary Teacher Education Institutions maintained their accounts in nationalized banks, which is a very good financial practice of all these institutions.
9. It was also found that accounts of all the sampled Secondary Teacher Education Institutions were duly audited by certified auditors.
10. Regarding the fund-withdrawal procedure, it was found that the sampled Govt. Colleges of Teacher Education withdrew the fund with a single signature of the Principal, as the Principal had absolute financial power. In 50% of the private Secondary Teacher Education Institutions also the same procedure was followed and funds were withdrawn with a single signature of the Principal or the President/Secretary of the Governing Body. In the remaining 50% of sampled private Secondary Teacher Education Institutions, funds could be withdrawn from the bank accounts, only with joint signatures.
11. Regarding the question of whether the funds of the Secondary Teacher Education Institutions were diverted to activities other than the development of the College, all these Institutions replied in the negative, stressing the fact that all funds duly collected for the course, were utilized only for the growth and development of the Colleges.
12. In the present study, all sampled teacher-training colleges were of the view that donations or Management-quota fees were not imposed on the students during admission. However, when some students who had passed their degree examination from Universities other than Dibrugarh University and had taken admission in the sampled Private Secondary Teacher Education Institutions, were also interviewed, it was apparent that a sum of fees as donation was paid for by them during admission, which remained hidden in documentary evidences. Mostly, such cases were found in private institutions, where students from different states of India, were admitted, sometimes without adhering to the basic Dibrugarh University norms.

B. Problems of Infrastructure

1. Regarding basic infrastructure facility, all types of sampled Secondary Teacher Education Institutions expressed the view that they had sufficient classrooms, a Science laboratory, a Psychology laboratory, library, teachers' common room, drinking water, sanitation, games & sports, sufficient furniture etc. As an exception, to the rule, the University Department of Education, which is also a recognized College of Teacher Education of the state, was the only institution that provided individual cabins for each teacher.
2. The Computer laboratory was found in all the sampled Govt. Colleges of Teacher Education, the Dibrugarh University Department of Education and in 75% of the sampled **private** Secondary Teacher Education Institutions.
3. The Students' leisure room was found in one of the sampled Govt. Colleges of Teacher Education and in 50% of the sampled private Secondary Teacher Education Institutions. All sampled Govt. Colleges of

Teacher Education and 50% of the private Secondary Teacher Education Institutions had their own auditorium. The University department shared the central auditorium of the Dibrugarh University, the Rang-ghar, to fulfill its purpose.

4. All the sampled Secondary Teacher Education Institutions responded that shortage of funds was the prime cause for lack of certain basic facilities.
5. All sampled Secondary Teacher Education Institutions responded that lack of basic infrastructure was the main hindrance of quality teacher education.
6. All sampled colleges opined that there was an urgent need of certain Central projects in order to improve the scenario of teacher education, specifically in North-east India.
7. Regarding the availability of Language laboratory and the Information and Communication Technology (ICT) Cell, it was found that not a single College, amongst all the Institutions studied, had provided this facility to the students.

C. Academic Problems

1. In the present study, it was found that the teacher educators of all Secondary Teacher Education Institutions were qualified as per NCTE norms, except for one of the private College of Teacher Education, which was of the view that although all their faculty were not qualified as per NCTE norms, their teaching-learning processes were not hampered and the Institution was also doing fine. The Heads of the Secondary Teacher Education Institutions, or the Principals, also expressed the view that, at times, under-qualified faculty is a major impediment to the improvement of quality education in these Institutions.
2. One sampled Govt. College of Teacher Education and two of the sampled private Secondary Teacher Education Institutions expressed the view that the B.Ed. curriculum of Dibrugarh University was adequate to cope with the classroom needs of a modern education system. However, all the remaining sampled Colleges offered some suggestions, for the improvement of the existing Course, such as use of computers and audio-visual aids in teaching-learning processes, inclusion of the contents of adolescence education, physical education, community participation, skill development workshops, more emphasis on practice teaching etc.....all of which, according to them, should be important aspects of a modern B. Ed. Curriculum.
3. All the personnel of the sampled Secondary Teacher Education Institutions, both private and State-aided, were of the view that the B.Ed. course should be made compulsory for all teachers of Secondary schools of Assam, and the degree should also be a mandatory eligibility criterion for an individual seeking employment in the teaching profession.
4. Except 50% of the sampled private Secondary Teacher Education Institutions, all the other teacher-training institutions expressed the view that the decision of the National Council for Teacher Education (NCTE) to allow the National Assessment and Accreditation Council (NAAC) to inspect all the teacher education institutions in a state, would improve the scenario of teacher education in Assam.
5. Except two sampled private Secondary Teacher Education Institutions, all the other Secondary Teacher Education Institutions were satisfied with the role of NCTE in the state of Assam.
6. 50% of all sampled Secondary Teacher Education Institutions viewed that teacher training institutes should be residential in nature to develop all essential academic skills and qualities among the teachers.

D. Problems of Management

1. In the present study, regarding the management of Secondary Teacher Education Institutions, it was found that 50% of the sampled private Secondary Teacher Education Institutions were run by the management body, called Governing Body, formed with some local influential people and educationists, and the remaining 50% were administered by a private Trust, although they too had a Governing Body. The sampled Govt. Colleges of Teacher Education were directly under the control of the State government. The University Department was under the management of the Dibrugarh University administrative authorities and the UGC, and was also bound to observe certain State government rules and regulations, as it was funded in some of its programmes by the state funds.
2. In all sampled private Secondary Teacher Education Institutions, it was found that the Governing body was formed as per guidelines of Dibrugarh University. It was also observed that the Presidents of the Governing Body played a very major role in the smooth running of the colleges. The Governing Body

played a vital role in decision-making. However, in the case of the Govt. Colleges of Teacher Education and the University Department, there was no provision for a Governing Body, as such.

3. In all sampled private Secondary Teacher Education Institutions, the Principal received full support and cooperation from the Governing bodies of these institutions, in the areas of infrastructural development, academic supervision, appointment of staff etc. However, in over a half of the sampled private colleges, i.e., in 50% of the total private Secondary Teacher Education Institutions, it was observed that *the financial activities were not under the control of Principal*.
4. All sampled Secondary Teacher Education Institutions except one sampled private College of Teacher Education expressed the view that the teachers' training institutes should run under the management of State government to improve the quality of teacher education.

RESEARCHER'S OBSERVATION

Some Suggestive approaches: some measures may be suggested to overcome the problems and challenges of secondary teacher education institutions in particular and all institutions of teacher education in general.

1. Exclusive policy for teacher education should be taken to overcome the loop halls of teacher education in Assam.
2. The govt. should establish new colleges of teacher education of its own and upgrade the existing colleges into centre of excellence.
3. The NCTE should review the existing scenario of teacher education in all over the country.
4. The Universities should prepare effective and updated curriculum, so that the teacher trainees will be able to cater the needs of young minds.
5. The Universities or the controlling authority should organize in service refresher courses to the Teacher Educators of teacher education institutions.
6. More research work should be encouraged to explore the new ideas and concepts in teacher education.
7. The management of the institution should ensure sufficient infrastructural facilities, so that the quality of teacher education will not be compromised. The NCTE and affiliating University should give a strict vigil to the institutions.
8. The qualification of teacher educators should be as per the norms of NCTE. No under qualified faculties to be appointed in these institutions.
9. As like the medical colleges, the teacher education institutions should have its own Model secondary schools, so that the trainees may get real life experiences in all aspects of the training.
10. The fees for the course of teacher education in all private and govt. colleges should be determined by state govt. and if needed the financial assistance should be provided to the private colleges also. It means the teacher education course should be subsidized by the govt.

DISCUSSION & CONCLUSION

It can be observed that the teacher education requires a new approach to be able to face the challenges in this dynamic era. At present teachers are not the only transmitters of information but facilitators of all knowledge of students. If he/she fails to play this role confidently and effectively then, the status of the teacher would be eroded in the eyes of the students. He/she has to continuously evaluate the activity undertaken by him/her to see whether the activity undertaken by him/her has achieved the desired result in terms of students' performance. If not, why? How it can be improved? Therefore critical analysis of one's teaching-learning methodology, practicability of curriculum in use need to be re- evaluated time and again till desired objectives are achieved. The existing teacher training institutions of the state has yet lot to do for themselves in order to articulate innovations in terms of approach, pedagogy for qualitative improvement of school education and so that they can response to the various demands of the student community.

As teacher education has an important place in the broad educational set up of our society, it is very essential to find out the problems and prospects of teacher education prevailing in the country. Thus it is hoped that the findings of the present study undertaken by the researcher will lead to an understanding of the lacunae in our system of teacher education so that these may be addressed to harness the human resource potential in this important direction. In the emerging years there will be an urgent need of increasing number of trained teachers in our society, especially in the North-east, in the light of the policies of the Central Government in the area of school education, and it is hoped that the findings of the study will help the administrators of the state realize

how with a little financial or other infra-structural support, the state government may be able to join hands with the private enterprise in teacher education so as to maintain quality of teacher-training as also to ensure that the human-resources thus produced, have the capacity and quality to be employed not only in the state scenario, but also in any other state of India.

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**A STUDY ON QUALITY OF WORK LIFE AND JOB SATISFACTION OF PRIVATE SCHOOL
TEACHERS OF NAMAKKAL**

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ABSTRACT

Organization in the past, gave more importance on innovative technology for higher productivity surpassing the needs and mental state of its employees. This created a negative impact on the working environment among the employees. Thus, it was realized that societal support goes hand in hand with technical innovations. This integration can only be made through quality of work life programmes. Quality of work life refers to all the organizational inputs that aim at the employee's satisfaction and enhancing organizational effectiveness.

Several Research Studies in the world have measured the Quality of Work of Employee's in Industries, Universities, Schools, Government and Non Government Organizations. This research study highlights the quality of work life of private teachers under various dimensions. This study helps the school teachers to know the level of job satisfaction and perception towards QWL and to enhance the same by the educational administrators. Quality of Work Life is the essential concept of favorable situations in a working environment. The Quality of Work Life facilitates employee's training opportunities, job satisfaction and working conditions. A better Quality of Work Life improves the growth of the employee's along with the organization growth.

Key words: Quality of work life, Job satisfaction, Career, work environment, Occupational stress

INTRODUCTION

Quality of Work Life (QWL) is a philosophy, a set of principles, which holds that people are the most important resource in the organization as they are trustworthy, responsible and capable of making valuable contribution and they should be treated with dignity and respect. 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. 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. People also conceive of QWL as a set of methods, such as autonomous work groups, job enrichment, high-involvement aimed at boosting the satisfaction and productivity of workers. It requires employee commitment to the organization and an environment in which this commitment can flourish . Thus, QWL is a comprehensive construct that includes an individual's job related well-being and the extent to which work experiences are rewarding, fulfilling and devoid of stress and other negative personal consequences.

Work represents such a role in life which has been designated to it by the person himself. On the one hand work is an earning of one's living for the family, on the other hand it could be a self-realization providing enjoyment and satisfaction. The term "*quality of work life*" (QWL) was first introduced in 1972 during an international labor relations conference (Moen, P.1999). Quality of work life (QWL) was conceptualized in terms of need satisfaction stemming from an interaction of workers' needs (survival, social, ego, and self-actualization needs) and those organizational resources relevant for meeting them. Robbins (1989) defined QWL as "a process by which an organization responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their *lives at work*. According to QWL is a philosophy, a set of principles, which holds that people are the most important resource in the organization as they are trustworthy, responsible and capable of making valuable contribution and they should be treated with dignity and respect.

OBJECTIVES OF QUALITY OF WORK LIFE

A QWL study enables a successful organization to operate more efficiently through the use of worker input and satisfaction ratings. The objectives include:

- To attract and retain talents
- To prevent high level of employee stress and burn out
- To facilitate effective integration of work and personal life
- To foster greater job satisfaction, engagement and retention of employees
- To increase quality and productivity through higher job satisfaction

- To balance personal / family and work related demands on an individual employee for maintain optimum levels of personal effectiveness

OBJECTIVE OF THE STUDY

The present study aims to find out the quality of work life of private school teachers in Namakkal town as the primary objective and the secondary objectives are:

- To measure the experience of quality of work life of private school teachers in Namakkal district.
- To find out the level of job satisfaction of the private school teachers in Namakkal district.
- To identify the impact of satisfaction level towards QWL dimension
- To identify the level of stress and its causes among the private school teachers in Namakkal district.
- To suggest the suitable measures to improve the job satisfaction and reducing the stress thus results to improve the QWL among them.

REVIEW OF LITERATURE

Laughlin (1985) studied the occupational stress and its relationship to social supports and life turbulence of teachers in New South Wales. The study revealed that nearly one third of the teachers considered their job to be extremely stressful. Self reported teacher stress was found to be negatively related to Job satisfaction and intention to continue teaching.

In a cross-cultural study conducted by **Menlo and Poppleton** (1990) on quality of teaching life among secondary school teachers, it was reported that quality of teaching life is related to Job Satisfaction, work centrality and Occupational Stress.

According to **Batra and Dangwal** (2000) there are two ways of viewing quality of work life. One way equates QWL with a set of objective organizational condition and practices (e.g., job enrichment, democratic supervision, employee involvement, and safe working conditions). The second way equates QWL with employees' perceptions that they are safe, relatively well-satisfied, and are able to grow and develop as human beings. This way relates QWL to the degree to which the full range of human needs is met.

Batra, G, S., and Dangwal, R, S., *Human Resource Management New Strategies*, Deep and Deep Publications Pvt. Ltd., New Delhi, 2004.

Wilson (2003) in his study observed that workers were generally satisfied with the environment in which they worked. The satisfaction rate was high among the public sector workers than the private sector workers. Regarding style of supervision both the categories were satisfied. Both the categories were not satisfied with respect to promotion and involvement in decision making. He also found that public sector employees had more satisfaction than private sector employees with respect to reward, human relations, behaviour of co-workers and nature of job.

Wilson, O., *Work Ethics of the Industrial Workforce – A Study with Reference to Selected Public and Private Sector Enterprises in Kerala*, Ph. D. Thesis, University of Kerala, Thiruvananthapuram, 2003.

A study by **(Tasmin, 2006)** claimed that women teachers' job satisfaction is influenced by their work environment, interpersonal relation and supervision of the head teacher, whereas men teachers' job satisfaction is influenced by salary and job security.

Tasmin, S. (2006). *A study of primary schools in Bangladesh*. University of Bergen, Norway.

Ayesha Tabassum used Walton's proposed eight components of quality of worklife to measure the relationship between the components of QWL and job satisfaction in faculty members of private universities in Bangladesh, the study revealed that all the components are positively associated with the job satisfaction of faculty (Tabassum, 2012).

Tabassum, A. (2012). *Interrelations between Quality of Work Life Dimensions and Faculty Member Job Satisfaction in the Private Universities of Bangladesh*, *European Journal of Business and Management*, 4(2), 78–90.

STATEMENT OF THE PROBLEM

Teaching profession is a vital profession for the development of the society and it is a two fold contribution which consists both physical as well as psychological aspects. Thus the organization has to ensure the High quality of work life and Higher level of job satisfaction to the employees. Mushroom growth of private schools make this aspects as a question mark. In this connection a survey was conducted to identify the factors of quality of work life and its interrelations with job satisfaction and occupational stress among the private school teachers in Namakkal district.

RESEARCH METHODOLOG

For the purpose of the study, convenience random sampling method is adopted by the researcher. In this study researcher determined the sample size of 100 private school teachers in Namakkal district. The primary data was collected by using pre-tested questionnaires with Walton’s model qwl factors and secondary data have been collected from various public sources such as books, journals and e-materials. For the analysis and interpretation of data the simple and primary statistical measures and techniques such as simple percentage, comparative scaling techniques, Correlation and rank analysis.

ANALYSIS AND INTERPRETATION

Table. 1 QWL FACTORS AND SCORES

S.A – Strongly Agree, Score – (5); A – Agree, Score – (4); N.O – No opinion, Score-(3); D.A – Dis Agree , Score – (2); S.D.A – Strongly Disagree, score – (1)

| Sl.No | Qwl factors | S.A (%) | Total Score | A (%) | Total Score | N.O (%) | Total Score | D.A (%) | Total Score | S.D.A (%) | Total Score |
|-------|---------------------------------------|---------|-------------|-------|-------------|---------|-------------|---------|-------------|-----------|-------------|
| 1. | Adequate salary | 14 | 70 | 20 | 80 | 1 | 3 | 36 | 72 | 29 | 29 |
| 2. | Safety and Healthy working condition | 39 | 195 | 38 | 152 | 3 | 9 | 12 | 24 | 8 | 8 |
| 3. | Personal and professional development | 46 | 230 | 21 | 84 | 8 | 24 | 18 | 36 | 7 | 7 |
| 4. | Supportive work culture | 17 | 85 | 13 | 52 | 06 | 18 | 37 | 74 | 27 | 27 |
| 5. | Constitutionalism | 11 | 55 | 7 | 28 | --- | --- | 38 | 76 | 44 | 44 |
| 6. | Work and total life space | 21 | 105 | 20 | 80 | 10 | 30 | 44 | 88 | 05 | 05 |
| 7. | Social Integration | 21 | 105 | 34 | 136 | 3 | 9 | 22 | 44 | 20 | 20 |
| 8. | Job satisfaction | 34 | 170 | 33 | 132 | 1 | 3 | 22 | 44 | 10 | 10 |

From the above table it is inferred among 100 respondents only 14% of the respondents strongly agreed that they are getting adequate salary while 36% of the respondents disagreed the same. Majority 39% of them strongly agreed that their working condition is safe and healthy one. 46% of them were personally as well as professionally developed through their job .37% of them disagreed that there were no supportive work culture, 44% of the respondents strongly disagreed about constitutionalism, 44% disagreed about the space between work and personal life while 34% of them were agreed about social integration. Majority of the respondents(34%) strongly agreed that their job is a satisfied one.

Table.2: Ranking of QWL factors

| Sl.No | QWL Factors | No.of Respondents(S.A+A) | Total Scores | Rank |
|-------|---------------------------------------|--------------------------|--------------|------|
| 1. | Adequate salary | 34 | 150 | V |
| 2. | Safety and Healthy working condition | 77 | 347 | I |
| 3. | Personal and professional development | 67 | 314 | II |
| 4. | Supportive work culture | 30 | 137 | VI |
| 5. | Constitutionalism | 18 | 83 | VII |
| 6. | Work and total life space | 41 | 185 | IV |
| 7. | Social Integration | 55 | 241 | III |

Among the various QWL factors I rank was given to safety and Healthy working condition and II rank was given to personal and professional development, III rank to social integration and IV rank was given to work and total life space and V rank given to adequate salary and the last VII rank was given to constitutionalism by the respondents.

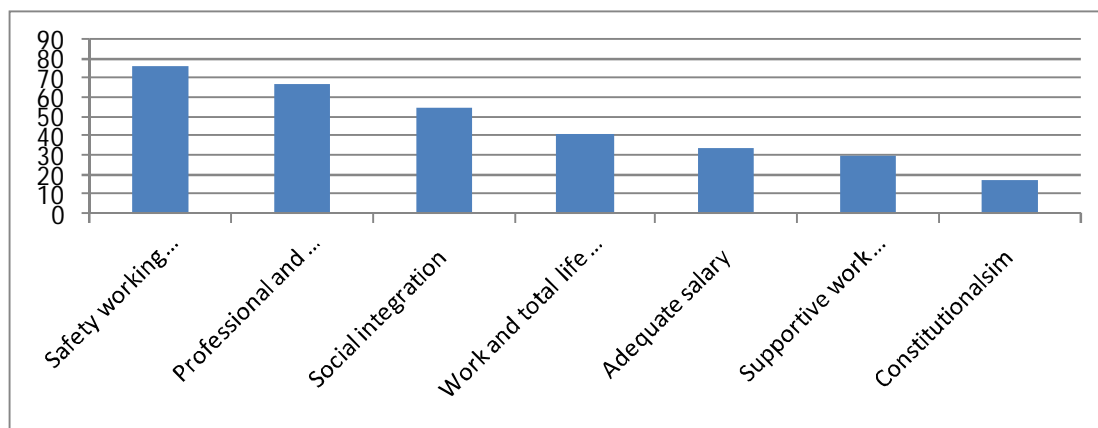


Table.3: Hypothesis 1: There is a significant relationship between Salary of the employee and Job satisfaction

| | | | | | | |
|---|----|----|---|----|----|---------|
| X | 14 | 20 | 1 | 36 | 29 | ∑ X=100 |
| Y | 34 | 33 | 1 | 22 | 10 | ∑ Y=100 |

X= Satisfaction level of the respondents about salary Y=Job satisfaction level of the respondents Using Spearman’s Rank correlation co-efficient (), $r=+0.99$. There is a positive relationship between the salary drawn by the employee and the jobsatisfaction. Hence the Hypothesis is accepted.

Table.4: Hypothesis 2 : There is a significant relationship between the working condition of the employee and job satisfaction.

| | | | | | | |
|---|----|----|---|----|----|---------|
| X | 39 | 38 | 3 | 12 | 8 | ∑ X=100 |
| Y | 34 | 33 | 1 | 22 | 10 | ∑ Y=100 |

X= Satisfaction level of the respondents about working condition Y=Job satisfaction level of the respondents.

From the above table the correlation co-efficient is calculated and the value of $r=0.99$ which shows the positive relationship between the working condition and job satisfaction. Hence the Hypothesis is accepted.

Table.5: Occupational stress perceived by the respondents

| Sl. No | Response | No.Of respondents | Percentage (%) |
|--------|----------|-------------------|----------------|
| 1. | Yes | 77 | 23 |
| 2. | No | 33 | 33 |

Majority(77%) of the respondents were perceived stress in their occupation and 33% of the respondents were not perceived the same.

FINDINGS

- ❖ Majority of the respondents are disagreed that their job does not provide adequate salary.
- ❖ It is found out that the teachers working in the private concern are working in the safety and healthy working condition
- ❖ Majority of the school teacher working in the private educational institutions are getting personal and professional developments.
- ❖ More than 50% of the respondents expressed that their working culture is an supportive one.
- ❖ Majority of the respondents opined that there is no constitutionalism and their work life does not allow the space for personal life.
- ❖ It is also found that that the private school teachers are satisfied with their job and agreed that their job is social integrated one.

- ❖ From the rank analysis it is found that the private school teaching environment is safety and healthy which occupied the top rank and the rules and regulations of the government regarding employee management and freedom to express their views is poor i.e., constitutionalism got the least rank.
- ❖ There is a positive relationship between the salary of the employee and job satisfaction from Hypothesis 1 and the positive relationship found between the working condition of the employee and job satisfaction from Hypothesis 2.
- ❖ Majority (77%) of the respondents were perceived stress in their occupation.

RECOMMENDATIONS

- ❖ The private school organization may increase the teacher's salary which is equivalent to their qualification , work nature and responsibilities.
- ❖ In every decision-making process there should be given proper weightage to the aspect that employees are involved wherever possible. It will ultimately lead to sense of team spirit, team-work and inter-team collaboration.
- ❖ Opportunity and comprehensive framework should be provided for full expression of employees' talents and manifest potentialities.
- ❖ Networking skills of the organizations should be developed internally and externally as well as horizontally and vertically.
- ❖ The teaching role should be reformed and their work nature should be focused only on improved methodologies of teaching instead of assigning heavy work load which is irrelevant to their nature of job.

CONCLUSION

The main element of QWL, such as health and well-being, job security, job satisfaction, competence development, balance between work and non-work life are expected to help human resource practitioners as adult educators to co-design their work with humanistic factors. This will ensure the smooth transition of the contemporary workforce towards a knowledge based workforce. We believe that the results of this review would also have significant implications on the individuals who intend to get satisfaction in their job. Quality of work life has a significant impact on the institutions role stress, with holding the contention that high quality of work life, given by the institute and enough freedom for their work helps the institution also to perform better.

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PUBLIC HEALTH, HIV/AIDS AND THE LAW

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ABSTRACT

This paper examines the evolution of AIDS-related policy and legislation in India from an initial response characterized by conservatism and discrimination to the development of a coherent national programme which aims to prevent the transmission of HIV and to develop support structures for people with HIV and AIDS. The socioeconomic condition of the country coupled with the traditional outlook and the myths associated with it has made it more vulnerable to the disease. Societal taboos, poor literacy level are the biggest causes of the spread of the disease. Despite domestic legislations and international documents and a positive approach to counter the spread of the disease, nothing spectacular seems achieved. This has been hindered by conservative forces at the state and local levels.. In the absence of any specific legislation in India, HIV/AIDS victims in India are constantly in dark and encounter many a legal problems such as lack of legal safeguards for the patient confidentiality, discrimination of patients in hospitals on the ground of their being HIV/AIDS positive and breach of patients confidentiality legally. The paper concludes by considering the role of the judiciary in championing the cause of the rights of the victims of the HIV/AIDS and tries to ensure that they are not deprived of the rights guaranteed to them by the constitution.

Key Words: Public health, Health, Aids, Judiciary, Human Rights.

INTRODUCTION

HIV/AIDS is spreading throughout the world at an alarming rate and it has emerged as a serious public health challenge. The stigma, prejudice, fear and silence make HIV/AIDS a difficult problem to address. The widespread abuse of human rights and of fundamental freedoms associated with HIV/AIDS has become a concern in all parts of the world. The bulk of health problems facing Indian people are simple—malnutrition, malaria, diarrhea diseases, etc—and they require simple solutions—food, mosquito control and clean water. But the government’s approach to public health increasingly focuses on vertical programmes to tackle each disease instead of comprehensive healthcare. The AIDS control programme is another vertical programme that reinforces our misplaced priorities, and also puts more pressure on an already crumbling public health infrastructure.

HIV/AIDS has claimed 25 million lives since the beginning of the epidemic. India, the second most populous country after China, has 4.58 million HIV-infected persons—the second highest in the world after South Africa. From what was called a white plague during the early 1980, AIDS has come to be known as the most devastating health and socio-economic problems affecting the global community. It is well recognized that the impact of HIV/AIDS epidemic in the developed and developing countries differs. Up to 95 per cent of new HIV infections now occur in developing countries, which are unfortunately, also the least equipped to respond effectively. Today, AIDS is the leading cause of death in developing countries. Its destructive force is fueled by a wide range of human rights violations.

A human rights-based approach is needed to fight with HIV/AIDS. This approach starts from the premise that human rights abuses contribute to the spread of HIV and undermine attempts to protect people from becoming infected, and once infected, from receiving needed treatment and care. For HIV/AIDS-infected people, the human rights concerns included stigma and discrimination; mandatory HIV testing; restrictions on international travel; barriers to employment and housing; access to education, medical care and/or health insurance; and the issues relating to confidentiality. HIV-infected individuals are now run the risk of finding themselves excluded from workplace, health, insurance schemes, marriage rights etc.

National AIDS Control Organization (NACO) played a significant role in the study and control of HIV/AIDS in India. NACO did National Baseline Behavior Surveillance (BBS) in India in 2001. A total of 84182

respondents of age between 15-49 were covered from the general population. Among the 26716 were youth between 15-24 years. It showed that 10.4% of MSM (Men having sex with men), 31.2% of FSW (Female sex workers), 21.2% of Intravenous Drug User (IDU) were aged 15-24 years. The data indicated that most of the respondents were unmarried when participated in the surveillance; 84.9% heard about HIV/AIDS; Respondents more than 25 years of age were less aware by (2.5%) about HIV/AIDS information; 58% knew that there is no cure for HIV; 52% had used condom in last sex episode; awareness regarding spread of HIV through sex were more among males (62-98%) and less among females; States which were better informed in this regard were Andhra Pradesh, Delhi, Kerala, Mizoram, Maharashtra, Punjab, Pondicherry and Tamil Nadu.¹

INTERNATIONAL HUMAN RIGHTS FRAMEWORK

The Universal Declaration of Human Rights has been recognised as the Magna Carta of human rights all over the world. The basic tenets of this declaration are the right to liberty, security and freedom of movement, the right to work, the right to education, the right to social security and services, the right to equality — equal protection before the law, the right to marriage and family and the right to health.

International human rights instruments play an important role in respect of HIV/AIDS and human rights, since their norms may guide the establishment of procedural, institutional and social mechanisms to counter the HIV/AIDS epidemic. Two prominent HIV/AIDS-specific international agreements are the Declaration of Commitment passed at the United Nations General Assembly Special Session on HIV/AIDS (UNGASS), June 2001 and the International Guidelines of HIV/AIDS, 1996.

In September 1996, the Second International Consultation on HIV/ AIDS and Human Rights, convened by UNAIDS and the Office of the UN High Commissioner for Human Rights, led to the formulation of the International Guidelines on HIV/AIDS and Human Rights. The Guidelines address multi-sectoral responsibilities and accountability, including improving the roles of the government and private sector. In addition, they stress the duty of the States to engage in law reform and identify legal obstacles so as to form an effective strategy of HIV/AIDS prevention and care.

In June 2001, Heads of State and Representatives of Governments of 189 nations met at the United Nations General Assembly Special Session on HIV/AIDS (UNGASS) and a Declaration of Commitment was adopted by the delegates.² The UNGASS Declaration of Commitment provides a framework for an expanded response to the global HIV/AIDS epidemic. The emphasis of Declaration of Commitment is on a multi-sectoral approach. Within the Declaration, specific commitments are made in the areas of (a) enhanced leadership, (b) prevention, care, support and treatment, (c) protecting human rights, particularly those of PLWHA, (d) reducing vulnerability, especially of women, (e) assisting children who have been orphaned and made vulnerable by HIV/AIDS, (f) alleviating the social and economic impact of HIV/AIDS, (g) further research and development, (h) addressing HIV/AIDS in conflict zones and disaster-affected regions, (i) ensuring new and sustained resources, (j) and maintaining the momentum and monitoring the progress of responses.

National Legal Framework

Indian law making body has never been diligent enough in framing a comprehensive law to deal with the menace of HIV/AIDS and protect the seropositive from discrimination and the social stigma clutching HIV/AIDS. The Indian Constitution in the category of Directive Principles of State Policy enunciated certain guidelines for the States to follow at the time of formulating their policies. The DPSP provides that the primary duty of the State is to promote human health,³ and it should promote a social order in which justice, social, economic and political shall form part of all institutions of national life.⁴ These two directives are only in the

¹ Sandeep Berwal, HIV/AIDS in India, *Yojna*, July, 2005, Vol.49 p.28-29.

² Know Your Rights, Human Rights and HIV/AIDS, 2011, NHRC, New Delhi, 2011.

³ The Constitution of India, Article 47.

⁴ The Constitution of India, Article 38.

form of directives and guidelines and unenforceable. But it can be implemented by the States as a part of their public policy. The Judiciary in India in different occasions interpreted Article 21 of the Constitution to include right to health. From the above two articles, it is also clearly evident that a person affected by HIV/AIDS cannot be denied of the opportunities to lead a normal life like other citizens of the country. It is the duty of the concerned State to afford for his treatment at an affordable price and the State must also direct its public health policy to prevent spread of the HIV/AIDS. In the recent years, the Courts in India have taken a very proactive approach to the issue of HIV/AIDS and issued orders that helps reduce a number of HIV/AIDS related problems, such as confidentiality, discrimination, right from stopping people being kept under captivity etc.

The Indian Medical Council Act, 1956 (Professional Conduct, & Ethics) Regulations, 2002⁵ is the main legislation related to medical profession in India. The Medical Council of India lays down certain duties that have to be observed by the doctors towards the HIV/AIDS patients, as enumerated below:

- Duty to take care and to take informed consent from the patient.
- Disclosure of information & risks to the patient
- Provide information of options available & benefits
- Duty to warn
- To admit patient in emergency without consent
- The physician should not abandon his duty for fear of contracting the disease himself.

Immoral Traffic Prevention Act, 1986 is also an important legislation in this respect which deals with sex work in India. The Act provides for conducting compulsory medical examination for detection of HIV/AIDS. It also made provisions for compulsory testing, which by many human rights activists claim to be inhuman. HIV/AIDS Bill, 2007 is a joint initiative of the government and civil society. The Bill specifically prohibits discrimination of HIV/AIDS patients in public as well in private spheres. The Bill prohibits discrimination of a HIV/AIDS patient in matters of employment, education, healthcare, travel, insurance, residence and property, etc based on their HIV status. Its ambit includes all acts and omissions whether actual or perceived which are discriminatory on the basis of HIV status.

The Bill provides that the consent for HIV testing and research must be specific, free and informed. The bill also provides guarantees the confidentiality of HIV status of the person and provides the exceptions under which the information can be disclosed. A duty is imposed upon HIV/AIDS patient to prevent transmission of HIV virus through different means. The HIV/AIDS patients have been given a universal and free access to comprehensive treatment for HIV/AIDS and also for its prevention, care and support. The Bill specifically provides for protection of risk reduction strategies from civil and criminal liability and law enforcement harassment. According to the Bill, every person has the right to information and education relating to health and the protection of health from the State. The major focus of the Bill is upon women and young persons.

The provision in the bill for appointment of health ombudsmen in every district to provide easy and quick access to health services for all persons is definitely a welcome step. It also makes provisions for internal complaints mechanisms in institutions. Grievance redress provisions also include special procedures in courts with emphasis on fast trials and creative redress. The Bill also recognizes certain rights for women, children and persons in the care and custody of the State who, due to social, economic, legal and other factors, find themselves more vulnerable to HIV and are disproportionately affected by the epidemic. It also recognizes the link between sexual violence and HIV and provides for counseling and treatment of sexual assault survivors and directs the setting up of sexual assault crisis centers.

HIV and AIDS (Prevention and Control) Bill, 2010: Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Bill, 2010, contains stringent provisions to check discrimination against HIV/AIDS patients. The bill punishes the act of discriminating against any person infected with HIV. It also makes punishable the dissemination of any such information which is likely to propagate hatred against the infected people.

The bill negates the concept and act of testing for AIDS and it cannot be made a pre-requisite for employment or for access to healthcare, education or public places. The HIV patients possess every right to move courts

⁵ <http://www.hrln.org/hrln/hiv-aids/pils-a-cases.html#ixzz3DDT58EHY>(accessed on 13.9.2013).

against discrimination. Above all the Bill proposes that any person infected with HIV/AIDS cannot be removed from job or denied employment except with a written assessment of a qualified and independent healthcare provider that the afflicted person indeed poses risks of transmission. It makes a safeguard provision against eviction for people below 18 years of age and a woman of any age wherein they would be entitled to live in a shared property. The medical costs will be factored in during any maintenance settlements. The law aims at deterring rampant victimization of HIV/AIDS patients.

The Bill proposes that no person can be forced to take an HIV test. Informed consent of the person concerned is a must for conducting a test that too after due counseling on all pros and cons. A person cannot be compelled to disclose his HIV status except under the directions of the Court. A doctor can disclose his patient's HIV+ status to his partner if he believes there is a risk of infection. However, he would have to guard against such disclosure about a woman if there is an apprehension that it can lead to her being abandoned or facing violence.

JUDICIAL RESPONSES TO HIV/AIDS PATIENTS

Different case laws discussed here covers a wide range of litigation in courts relating to the issue of HIV/AIDS and its interpretation highlighting the callousness of the government and the discriminatory policies adopted by them.

Issues of Isolation and Exclusion

In the case of *Lucy D' Souza v. State of Goa*⁶ which is believed to be the first case on HIV/AIDS, wherein D' Souza, a resident of Goa while donating blood was detected HIV/AIDS positive and admitted to the Goa hospital in a TB Sanatorium. The blood test was conducted without his knowledge and the result was not intimated to him. The fact was intimated to the police and he was arrested as per the Goa Public Health Act, 1987.⁷ The mother of D'Souza challenged the arrest of her son on the ground that since the Act did not specify a particular period of isolation or where it should take place, the Act is unconstitutional and violates the fundamental rights and liberty of her son. Besides this, the petitioner also raised some basic question regarding the provisions of the Act such as:

1. The Provision for isolation is procedurally unjust in the absence of the right of hearing
2. Object sought to be achieved by isolation is nullified by the provision.
3. Discretion to isolate is unguided and uncontrolled and
4. Provision for isolation is based on wrong scientific material and foundation.

The Bombay High Court while dealing with the case recognised the serious consequences of the State's policy to isolate and was of the opinion that isolation was an invasion of the personal liberty of a person and it may also lead to ostracization, but held that the interest of public health supersedes an individual's rights, and while isolation may not be 'ideal', it was 'practical'.

Another case⁸ of isolation that drew the attention of the Court through a Public Interest Litigation was the case of a young mother and her daughter who were driven out their home after the death of her husband who was suffering from AIDS. The condition of both the mother and the daughter became acute after the entire parental family was being ostracized. On bringing them to the Gauhati medical College and Hospital, they were immediately admitted to the Infectious Diseases Hospital, and then to the Isolation Unit. On subsequent discharge, they had no place to go. The demand of the petitioner was that the HIV positive patients should be treated without any discrimination, blood banks should not be permitted to operate without license and control, and that counselling centres be set up on a priority basis. The Court *inter alia* issued the following directions:

1. The guidelines and strategies formulated by the NACO shall be properly implemented in letter and spirit with due regard to the London Declaration of Aids Prevention of January 28, 1988 and the Global Strategy formulated by the WHO.
2. Appropriate orders/directives be issued to ensure that persons suspected to be suffering from AIDS or HIV positive shall not be refused treatment in the hospitals. On such matters coming to notice, appropriate action should be taken against the erring doctors or the staff.

⁶ AIR 1990, Bom.355.

⁷ Sec. 53 (1)(vii) empowered the Government to isolate a person suffering with AIDS.

⁸ *Subodh Sarma and Anr. v. State of Assam* (decided on 26.9.2000).

Stigma and Discrimination

The most significant human rights violations for persons living with HIV/AIDS are discrimination and Stigma they suffer. Persons Living with HIV/AIDSs(PLHAs) today face segregation in schools and hospitals under cruel, degrading and inhuman conditions, denial or loss of employment, denial of shelter in the matrimonial home, ostracization from the society, arbitrary testing, violence and even murder.

The stigma and discrimination suffered by people living with HIV/AIDS and their families have drawn attention to human rights issues. Discrimination and collective denial associated with HIV/AIDS infection makes the life of the individual and that of family members agonizing. Examples of such discrimination include: Refusal to provide treatment for HIV/AIDS-related illness; refusal to hospitalize for care/treatment; refused to operate or assist in clinical procedures; restricted access to facilities like toilets and common utensils; physical isolation in the ward (e.g. separate arrangement for a bed outside the ward in a gallery or corridor); cessation of ongoing treatment; early discharge from hospital; mandatory testing for HIV before surgery and during pregnancy; restrictions on movement around the ward or in the room; over precaution by health care staff; refusal to lift or touch the dead body of an HIV-positive person; use of plastic sheets to wrap the dead body; and reluctance to provide transport for the body.⁹

Cases Relating to Employment

A landmark anti-discrimination case in the Bombay High Court that affirmed the rights of PLHAs in the workplace was *MX of Bombay Indian Inhabitant v. M/S ZY*¹⁰ where *MX*, a casual labourer, was tested for HIV by his employer, *ZY*, a public sector corporation, prior to being regularised in a permanent position. *MX* tested positive for HIV, and though otherwise fit, was rejected from regularisation.¹¹ The Court while rejected the contention of the State government ruled that the objective of holding a medical test prior to or during the course of employment is to verify that the person is not incapacitated for the job and pose a serious threat to the person or property at the workplace. The Court further stated held that a government or Public sector employer cannot deny employment or terminate the service of an HIV/AIDS positive employee solely on the ground of his/her being tested HIV/AIDS is a serious discrimination. There services can only be terminated if a substantial risk of transmission is posed to other employees or he/she is unable to perform the job allotted to him. Though the Constitution makes it clear that the government cannot discriminate against the employee on the ground of HIV, there is a fear that discrimination by the private sector employers is difficult to take care of. Besides that, while most of the countries excepting India have a anti-discrimination laws, such a law is imperative in India.

The Andhra Pradesh High Court in the case of *M. Vijaya v. The Chairman and Managing Director, Singareni Collieries Company Ltd.*¹² while making the Respondent hospital negligent in conducting the blood test of the petitioner's brother which tested negative and subsequently positive expressed disapproval at the apathy of the Respondent-company's hospital in neither carrying out requisite blood tests on the petitioner after the operation, nor referring her to a super specialty hospital for test and treatment. The Court went beyond the issue of medical negligence and issued appropriate directions for the effective implementation of various AIDS control programmes taken up by the Government and the NGOs.

Case Related to Blood Banks

In the case of *Common Cause v. Union of India*¹³ the Supreme Court of India responding to a Public Interest Litigation laid down guidelines for the operation of blood banks throughout the country. The issue agitated

⁹ UNAIDS, *India: HIV and AIDS-Related Discrimination, Stigmatization and Denial*, (2001).

¹⁰ AIR 1997 Bom. 406.

¹¹ As per Section 2 (oo) of the Industrial Disputes Act, 1947, a person already in employment cannot be terminated merely because he suffers from AIDS/HIV unless shown that it has incapacitated him to continue working and he poses a threat to the health of other employees. 'Termination of the services of a workman on ground of continued ill-health,' *CEHAT*, 2007, Bombay, 50.

¹² 2002 ACJ 32.

¹³ AIR 1996 SC 929.

before the Court was that the deficiencies and shortcomings in collection, storage and supply of blood through blood centres could prove fatal. The Court was of the view that supply of contaminated blood can pose a great threat to the lives of patients and therefore it is essential to regulate the donation of blood and its quality. Blood is treated as a 'drug' for the purpose of regulating its collection, storage and supply.¹⁴The Supreme Court inter alia issued the following directions relating to blood banks.

- The Union Government shall take steps to establish forthwith a National Council of Blood Transfusion as a society registered under the Societies Act.
- The National Council shall take steps for starting special post graduate courses in blood collection, processing, storage and transfusion and allied field in various medical colleges and institutions in the country.
- The existing machinery for the enforcement of the provisions of the Drugs and Cosmetics Act and Rules should be strengthened and suitable action be taken in that regard on the basis of the scheme submitted by the Drugs Controller (I) to the Union Government for up-gradation of the Drugs Control Organisation at the Centre and the States.

Privacy and Confidentiality Rights

In the absence of a specific law on confidentiality, the courts in India have attempted to construe Article 21 of the Constitution—the fundamental right to life and liberty—to include the right to privacy, from which is derived the right to confidentiality. Therefore, every person has certain rights which he can disclose at his will. Legally, confidentiality exists within the parameters of a special relationship (doctor-patient, attorney-client, for example) that is dependent on factors such as mutual trust, or to impart services.

The maintenance of confidentiality of an individual's health status is one of the paramount importances of a rights-based legal and public health response to HIV/AIDS. A health care system that usurps upon the confidentiality of people and leads to their stigmatization drives the epidemic underground with an attempt to make it ineffective. However, the principle of confidentiality is not absolute. Two divergent theories of interests are balanced in legal approaches to this issue -- the public interest of disclosure vis-à-vis the interest of maintaining of confidentiality of an individual. In case of a confrontation between the two rights, the one that promotes morality and public interest should be upheld. A person who has been diagnosed with HIV/AIDS has every right to keep his/her HIV/AIDS status confidential. Even the Courts have provided them with the option of legally confiding their identity and using a pseudonym before the Courts in lieu of suppressing their identity. And thus the Courts have thankfully delivered judgments in their favour where none of the victims is abided by any rule to be made to disclose one's identity.

In the matter of *Mr. X v. Hospital Z*,¹⁵ the Supreme Court of India has held that the patients suffering from 'AIDS' deserve full sympathy and are entitled to all respect as human beings. They cannot be denied jobs on the basis of their HIV/AIDS status. It further held that although the doctor-patient confidentiality is an important and part of the medical ethics incorporated by the then Medical Council Act, a patient's right to confidentiality was not enforceable in a situation where the patient is HIV positive, if he stood the risk of spreading it to his prospective spouse. Since acts likely to spread communicable diseases are a crime under the Indian Penal Code¹⁶ the failure of the hospital to inform the spouse of the disease would make them participant criminals. Since Indian matrimonial laws provide venereal disease as a ground for divorce, a person suffering from a venereal disease had no right to get married till he/s/he is fully cured and such a right must be treated as a 'suspended right'. Now an HIV+ also has the right to marry and it has been legally accepted as a good law, quite evident from the below incident, in yet another case of *Mr. X v. Hospital Z*¹⁷ where the Supreme Court has held

¹⁴ Blood Banks are regulated under Drugs and Cosmetics Rules, 1945, Part X-B.

¹⁵ (1998) 8 SCC 296.

¹⁶ Section 269 and 270 of I.P.C. ignores a situation where consummation of marriage is with the knowledge of the other partner's condition and consent.

¹⁷ AIR 2003 SC 664.

its earlier judgment in *Mr. X v. Hospital Z* to the extent that it suspended the right of people living with HIV/AIDS to marry is no longer good law and restored the right of an HIV + person to marry. However, it further held that this does not take away from the duty of those who know their HIV+ status to obtain informed consent from their prospective spouse prior to marriage.

The Supreme Court in yet another case of *Dr. Tokugha Yephthomi v. Appollo Hospital and Anr*,¹⁸ the Supreme Court was of the opinion that the disclosure relating to the HIV positive status of the patient to the fiancée saved her life from being contracted with the HIV and the disclosure therefore did not invade the right to privacy. The Supreme Court of India has issued directions in many a cases that HIV/AIDS treatment available free of cost to all those who need it, such that treatment is affordable as well as available to the needy without having to face society's dissemination.

There are many cases where patients have been denied treatment and people have taken govt.'s help. Be it a prisoner or a crime free individual every person possesses the right to treatment. In the matter of *LX v. Union of India*, LX, an under trial who was tested HIV+ was denied antiviral therapy (ART) against AIDS after his release from the prison. In a petition filed by him, the Delhi High Court directed the Government to continue to provide ART to LX. Pursuant to the commencement of the ARV roll-out by the Government of India in April 2004, the High Court directed the government to provide ART to LX under the ARV roll-out programme and to reimburse AIIMS for the costs incurred by them. In another matter a pregnant lady infected with HIV+ was denied treatment by the hospital. In a petition filed by her husband, the Delhi High Court gave immediate directions to the Hospital saying that there was an urgent need to issue direction to ensure the protection of the right to health and life of the woman and her foetus. A direction was issued to immediately arrange one unit of blood and further quantity of blood as may be required, from any of the authorized blood banks.

Right to Employment and Protection against Discrimination at Workplace

Right against discrimination is a fundamental right possessed by a citizen of India. No one can be discriminated on the basis of his HIV/AIDS status in India. HIV/AIDS patients have a right of equal treatment everywhere and they cannot be denied job opportunity or discriminated in employment matters on the ground of their HIV/AIDS status.

In a landmark judgment in the matter of *MX v. ZY*¹⁹ the Bombay High Court has held that no person could be deprived of his or her livelihood except by procedure established by law and that the procedure must be just, fair and reasonable. It further held that if a person is fit to perform his job functions and is otherwise qualified and does not pose a substantial risk to fellow workers he cannot be denied the job. Further, the Court also held that a public sector employer cannot deny a person employment solely because he is HIV positive. Each determination of whether a person is incapable of performing the job must be made by conducting an individual inquiry taking into account the state of medical knowledge at that time. It was also held that in proper cases where a person can show that he or she would not be able to prosecute his or her career if his status is disclosed and in the interests of the administration of justice, the Court will permit the party before it to suppress his or her identity and prosecute or defend the proceedings under an assumed name.²⁰

In another case of *G v. New India Assurance Co. Ltd*, the Bombay High Court has held that a person, who is otherwise fit, could not be denied employment only on the ground that he or she is HIV positive. The Court further held that a person's HIV status cannot be a ground for rejection for employment as it would be discriminatory and would violate of the principles laid down in Articles 14 (right to equality), 16 (right to non-discrimination in state employment) and 21 (right to life) of the Constitution.

In the case of *S v. Director General of Police, CISF and other*,²¹ where the widow was denied compassionate employment because her husband had died because of AIDS, the Bombay High Court has held that there should be no delay in appointment in all claims of compassionate employment. If there does not exist a suitable post, a

¹⁸ AIR 1999 SC 495.

¹⁹ AIR 1997 BOM 406.

²⁰ www.helplinelaw.com (accessed on 13.9.2014).

²¹ (Unreported (2004) High Court at Bombay in WP No. 202 of 1999).

supernumerary post must be created. The court directed the respondents to create a supernumerary post for the petitioner within 8 weeks, and consider her case for grant of service quarters on priority basis in accordance with the rules.

In the case of *Mr. X, Indian Inhabitant v. Chairman, State Level Police Recruitment Board*,²² the Andhra Pradesh High Court has held that treating all HIV-positive persons as one single homogenous class, irrespective of the stage of the disease, for being denied appointment in the police force is in violation of Articles 14 and 16 of the Constitution of India. Some people found to be HIV positive may, under certain circumstances, be unsuitable for employment in the police force does not justify the exclusion from employment of all people who are living with HIV. A Rule which denies employment to the HIV infected person merely on the ground of his HIV status irrespective of his ability to perform the job requirements and irrespective of the fact that he does not pose any threat to others at the workplace is clearly arbitrary and unreasonable and infringes the wholesome requirement of Article 14 as well as Article 21 of the Constitution of India.

Liability of the State

In *P of Bombay v. Union of India*,²³ the Court dealt with a case relating to the negligence of concerned public hospital in blood transfusion through which the petitioner was affected with HIV. Before the petition could be decided, the Union Government agreed to accept the responsibility of its negligence and gave the petitioner a job and compensation of Rs. 10 lakhs to the petitioner.

Insurance Cover for the HIV/AIDS

The Hon'ble Delhi High Court bench comprising Justice D. Muggesan and Justice V.K. Jain in the case of *Dr. Rajeev Sharma v. Union of India and Others*,²⁴ directed Insurance Regulatory Development Authority (IRDA) to implement the draft guidelines to cover all HIV positive under the ambit of Insurance cover...while directing the respondents High Court prescribed 8 months' time to implement the same by all insurance companies of the country under the supervision of a High Power Committee represented by top IRDA, NACO and Health Ministry officials along with the petitioner. The guidelines were framed by IRDA under the pressure of a PIL filed by Dr. Rajeev Sharma.

Status of Chronically Ill Persons

The case of *Delhi Network of Positive People & Anr. v. Union of India & Ors*²⁵ is a Public Interest Litigation, filed before the Delhi High Court by Human Rights Law Network (HRLN) on behalf of Delhi Network of Positive People and Love Life Society. In this case, the petition calls upon the government to include People living with HIV/AIDS in the category of 'chronically ill persons' for railway travel concessions. The petition was filed under Article 14 and 21 of the Constitution. Given that the Supreme Court has held in a plethora of judgments that every person in the country, apart from having the right to life under article 21, has the right to health. Therefore, the Government is constitutionally obligated to ensure the same to all the persons residing in the country, including positive persons, who cannot be deprived of access to travel and medication in order to treat their condition. Lacking in access to the anti-retroviral treatment, people living with HIV/AIDS cannot attain their highest standard of physical and mental health. The Court directed the Ministry to allow concession to chronically ill persons in the railways and the Railway Ministry made a provision for 50% concession to the persons of chronically ill in the Railway.

National Policy on HIV/AIDS

The National Policy on HIV/AIDS and the World of Work is a policy document formulated by the Ministry of Labor & Employment was launched at 43rd Session of the Standing Labor Committee. The Policy was developed by the Ministry of Labor & Employment after consultations with ILO (International Labor

²² 2006 (2) ALT 82.

²³ 2001, Calcutta High Court, also see CEHAT, Bombay, 57.

²⁴ <http://www.hrln.org/hrln/hiv-aids/pils-a-cases.html#ixzz3DDT58EHY> (accessed on 13.9.2014).

²⁵ <http://www.hrln.org/hrln/hiv-aids/pils-a-cases/207-love-life-society-vs-union-of-india-a-ors.html#ixzz3DDV3FwUr> (accessed on 13.9.2014).

Organization), NACO (National Aids Control Organization) and Social partners. The policy is aimed at generating awareness about HIV/AIDS, encourage action to prevent its spread and further improve and develop the support and care initiatives at the workplace. Its objective is to prevent transmission of HIV infection amongst workers and their families; protect right of those who are infected and provide access to available care, support and treatment facilities, deal with issues relating to stigma and discrimination related to HIV/AIDS by assuring them equity and dignity at the workplace and ensure safe migration and mobility with access to information services on HIV/AIDS.

Need for a Law on HIV/AIDS

HIV/AIDS has revealed the inadequacies and the ineffectiveness of both existing laws as well as of the health infrastructure in India in an unprecedented way. It has reflected most particularly the tensions and conflicts between health, human rights, State power and wealth. In the healthcare system, lack of adequate resources pits the rights of PLHA to treatment against the rights of doctors and healthcare workers, making everybody vulnerable and aggravating discrimination. Present laws and policies in force demonstrate severe biases and inherent contradictions which make it difficult for PLHAs and vulnerable people to access services. The examples are the criminalisation of sexual activity between men, soliciting for sex work, or injecting drug use, resulting, in the isolation of these communities and deprivation of their rights.

The legal approaches and strategies to address the problem of HIV/AIDS vary from country to country. Different countries have adopted different legal strategies to address HIV. In some countries, HIV has been included in existing anti-discrimination and health legislations to address the issues discussed above. Accordingly, discrimination on the basis of HIV is prohibited in the US under various laws. In some of these countries HIV-specific legislation may be found in the context of HIV testing or confidentiality. Some countries have enacted omnibus HIV legislations.

CONCLUSION

Though the working of the National AIDS Control Organization since its inauguration in 1992 is a laudable one and there have been many positive developments in policy and legislation relating to protection of the disease, still many more things has to be done. No doubt, NACO has reacted positively and quickly to new approaches in international AIDS policy, most particularly those advocated by the World Health Organization's Global Programme on AIDS. Thus, the earlier official lethargy, which was characterized by conservatism and discrimination, has been replaced by an approach which emphasizes the rights and dignity of people with HIV, which seeks to communicate with those who are vulnerable to the disease rather than instruct them, and to support rather than punish them.

In recent years, considerable progress has been made in establishing the structure and mechanisms of a coherent National AIDS prevention and control programme and in directing resources towards interventions to prevent the transmission of HIV. But despite this, people do not know the facts about how to protect themselves and others from HIV, stigma and discrimination remain a reality for many people living with HIV. The Conservative forces at the bottom level of the society pose a serious challenge to the progressive approach of the national schemes and policies. The judiciary, in the absence of a specific law through its innovative judgements regulated HIV/AID and is constantly trying to protect the human rights of the victims. But law is not the panacea. If the epidemic to be challenged effectively, it requires the integrated and comprehensive approach of all stakeholders so as to eradicate the problem.

Examining HIV/AIDS issues through a human rights lens involves looking not only at the stigma and discrimination, that victims of HIV/AIDS face, but also at the social, economic, cultural, technical and operational aspects of public health interventions. The promotion and protection of human rights must therefore be at the centre of all aspects of an effective response to HIV/AIDS. The fear of discrimination is a major constraint to the wide acceptance of many potentially effective public health measures. Public health programmes will be most effective if they are accompanied by clear and strict sanctions to prevent unwarranted discrimination against those who are infected with HIV or who are at risk of infection. AIDS is an acute crisis layered atop a range of chronic social concerns. As we struggle today, human rights law can guide us and contribute to alleviating the stress and pain of the epidemic.

WORKPLACE STRESS AND ORGANISATIONAL PRODUCTIVITY- A CASE STUDY OF IT INDUSTRY

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ABSTRACT

In today's corporate world, competition has pushed people to stretch themselves to meet the deadlines. Stretching frequently and on regular basis leads to imbalance in your life which can result in health related problems hypertension, cardiac disease, obesity and mental tension and burnout due to stress. In case of IT industry it has evolved in the last two decades in the exponential manner. There is a growing need to understand the impact of this change in the work environment of the employees working in that industry. A questionnaire based survey is conducted on a sample size of 204 employees of IT industry of Delhi NCR. Dynamism in the IT industry leads the change in the work environment and expectations of the employer, hence a study is being conducted to find the new factors creating stress and its impact on the productivity of the individual and organization as a whole.

Keywords: Stress, productivity, stressors

INTRODUCTION

Stress is one of the most creatively ambiguous words in the English Language, with as many interpretations as there are people who use the word (Nelson ,1994). Stress is “desirable to generate enthusiasm, creativity, and productivity.” However, it is believed that if the level of stress is higher than needed in a particular situation, stress can become counterproductive. Research states that it is the responsibility of the organization to develop the ability of its own employees to control the intensity of stress (Victor Rojas et.al, 2000).

Han Selye, the leading authority on the concept of stress, described it as, “the role of all wear and tear caused by life.” Charles J. Givens in his book Super Self says, “Stress is a mental and physical condition about which there seems to be little that is positive, productive or desirable. Stress is a condition that seems to creep in to life uninvited and unwanted, and is often unnoticed for a time.

According to **American Heritage Dictionary**, stress is a state of extreme difficulty, pressure or strain. Increased stress results in increased productivity up to a point. However this level differs from person to person.

In today's corporate world, competition has pushed people to stretch themselves to meet the deadlines. Stretching frequently and on regular basis leads to imbalance in your life which can result in health related problems hypertension, cardiac disease, obesity and mental tension and burnout.

Dr. Richard Earle has defined stress as “mobilized energy.” Stress is needed to get things done and without it you won't be able to stretch your limits and explore your new potential. The mobilized energy triggers the motivational response in the individual. There are different ways through which stimulus can act to obtain a response from the individual. Stimulus is for a short period of time and then it has to disappear so that person can feel the stimulus when it next occurs and hence induced the enthusiasm to complete the task or objective. But when stimulus did not disappear and remain with the person for a long time it stops acting as stimulus for the person and he stops reacting to the stimulus.

Similarly is the case with stress, if it appears for a short duration it enables the person to stretch its limits and achieve satisfaction of fulfillment of goals. If stress did not disappear even after the objectives are achieved then it become a routine of the hectic schedule and stops acting as stimulus. Slowly gradually it will lead to hampering in individual growth and health both physically and mentally.

According to **Robert Ostermann**, professor of psychology at FDU's Teaneck-Hackensack Campus, "No one reaches peak performance without being stressed, whether an athlete, an office worker or a manager." The natural pattern of human behavior is to experience a stress-causing event or situation, react to it with increased tension and then return to a normal, relaxed state. The problem occurs when stress is so overwhelming or constant that this pattern is broken.

According to the **American Institute of Stress** in Yonkers, New York, an estimated 1 million people in the work force are absent on an average workday because of stress-related complaints.

Stress occurs in a wide range of work circumstances but is often made worse when employees feel they have little support from supervisors and colleagues and where they can cope with its demands and pressures. There is often confusion between pressure or challenge and stress and sometimes it is used to excuse bad management practice. In the workplace and at home, stress and other difficult situation are at an all- time high. Factors such as job insecurity, long hours, continuous change and unrealistic deadlines can cause serious problem for workers.

Studies have shown that stress may result in problems such as hyper-irritability, sleep disturbances , disturbed interpersonal relationships, as well as a wide range of somatic and psychological patterns detrimental to the individual (**Strange and Brown, 1970;Hersen, 1972; Hafner, 1968; Foy, 1970, Wolfe, 1986**). This has negative economic implications such as poor quality of work, low productivity, absenteeism, high turnover, etc. (**Cooper and Cartwright, 1994; Edworthy, 2000**).

Stress also occurs as a result of role conflicts, particularly those arising out of the different expectations of superiors (**Gross et.al, 1985; Moorhead and Griffin, 1995**).

The quality and complexity of tasks combined with poor time management and lack of communication evoke feelings of inadequacy and insecurity. (**Michac, 1997**) Complexity of tasks given needs more time to concentrate on the job at hand and hence not able to get things done on time. It will lead to bad personal relationships both at superior subordinate level and same subordinate level.

Aziz (2003) also concluded that Resource inadequacy is the major stress factor after investigating the prevalence of organisational role stress among Indian information technology employees. Unclear job descriptions and lack of communication leads to bad performance and not meeting expectations from the employer's angle. The ultimate results of this pressure have been found to one of the important factors influencing job stress in their work (**Cahn et al., 2000**).

In evaluating the impact of role stresses (e.g. role conflict, role ambiguity) in organizations generally, **Schuler et al. (1977)** maintained that they have been associated with a number of negative work outcomes.

Work–family conflict is a type of inter role conflict, whereby the role demands stemming from one domain (work or family) are incompatible with role demands originating from another domain (family or work) (**Greenhaus and Beutell1985**).

Work–family conflict has been found to be related to individual and organizational outcomes such as absenteeism (**Thomas and Ganster 1995**) and negative mental and physical health (**Frone 2000**). It has also been associated with antecedents, such as when employees have significant dependent care responsibilities for family members (**Frone, Russell, and Cooper 1992**) and characteristics of the workplace (i.e., impact of workplace culture on employees' perceptions of work–family conflict) (**Thompson, Beauvais, and Lyness 1999**)

Daga and Husain (2001) studied the effect of social support on social and family role stress on a sample of 300 working Indian women. Clerks, doctors, and teachers comprised the sample. The study reported that Social support acted as a buffer against stress and its impact on physical well being. **Graham S. Lowe, (April 2003)** has examined the work environment and organizational factors that positively influence workers' health and well-being, and the relationship between healthy workplaces and productivity. The ingredients include leadership that values employees as key assets, supportive supervision at all levels, employee participation, job control, communication, opportunities to learn, and a culture that gives priority to work-life balance and individual wellness.

The effects of stress in the workplace can have a deeply negative impact on the employee. This impact can be divided into three categories: Employee psychological level such as “increased anxiety, and depersonalization” (**Barnett & Brennan, 1995**). Employee physiological level such as cardiovascular and gastrointestinal problems, increase breathing, heighten level of adrenaline, excess of coagulants in the blood (**Rojas & Kleiner, 2000**) and employee behavioral level or what is known as occupational outcomes of stress such as “increased

absenteeism and turnover” (Lee & Ashforth,1996) “Lower Job Performance” (Longenecker *et al.*, 1999; Nelson & Burke, 2000), lowered efficiency, lessened ability to perform, reduced initiative and interest in work, augmented stiffness of thought , a lack of worry for the organization and colleagues and a loss of accountability (Greenberg & Baron, 1995).

Personality factors have shown inclination towards stress, anxiety, and other occupational health outcomes in different areas of medicine, and these factors may contribute to feelings of job dissatisfaction and stress (Michie and Williams 2003).

Job stress is considered rising and has become challenge for the employer and because high level stress is results in low productivity, increased absenteeism and collection to other employee problems like alcoholism, drug abuse, hypertension and host of cardiovascular problems (Meneze 2005).

Effect of stress and satisfaction on productivity finds that increased stress leads to reduced productivity and increased satisfaction leads to increased productivity. When work begins to overlap with workers' personal life this implies a negative effect on productivity. Quality work is more related to conscientiousness and personal satisfaction than work load. Energetic and active individuals affect productivity positively (George Halkos, Dimitrios Bousinakis, 2010).

Terry A. Beehr *et.al* (2006) has suggested that job stress (and more generally, employee health) has been a relatively neglected area of research among industrial/organizational psychologists. The empirical research reviewed the six facets of environment *i.e.*, environmental, personal, process, human consequences, organizational consequences, and time. Further research is the seventh facet of environment which is effect of the job stress on employee health and productivity.

OBJECTIVES

1. To assess the level of stress of IT professionals.
2. To assess the level of productivity levels of IT professionals.
3. To find the relationship between stress and productivity levels in IT industry.

HYPOTHESIS FORMULATION

H₀₁: There is no relationship between stress levels and productivity levels of IT Professionals.

H_{a1}: There exists is a relationship between stress levels and productivity levels of IT Professionals.

METHODOLOGY

Simple random sampling technique is used and data is collected from 204 respondents as a representative sample for the study from different IT companies such as Sapient, PWC and Newgen. The respondents come from different levels of work in small and big IT companies, MNCs and Indian origin companies to get a mix among different work environments and stressors and to increase the generalization of the result.

A questionnaire is developed as a survey instrument for the purpose of collecting the primary data for the study. Likert scale is used for capturing the perception of employees towards stress. In order to find the stress score of each respondent, 23 item scale was selected. Respondents has to choose between strongly agree, agree, neutral (*i.e.* neither agree nor disagree), disagree and strongly disagree options. For productivity level, likert scale is used to find the productivity score of each respondent, 25 item scale was taken as the reference point. Respondents has to choose between almost always, often, sometimes, rarely and never options.

Table 1. Determination of Stress levels

| Stress Score Range | Level of stress | Frequency | Percentage |
|--------------------|------------------------|-----------|------------|
| 23-40 | Higher level of stress | 40 | 19.6 |
| 41-60 | High to moderate | 76 | 37.3 |
| 61-70 | Moderate to low | 55 | 26.9 |

| | | | |
|--------|-----------------------|-----|------|
| 71-115 | Lower level of stress | 33 | 16.2 |
| | Total | 204 | 100 |

Table 2:: Stress Score Statistics

| | |
|--------------------------------|-----------|
| Total Number of Respondents | 204 |
| Mean of the stress score | 55.4559 |
| Std. Deviation | 1.58230E1 |
| Kurtosis | -.650 |
| Std. Error of Kurtosis | .339 |
| Range of Stress score observed | 63.00 |
| Minimum | 23.00 |
| Maximum | 86.00 |
| Percentiles (100) | 86.0000 |

It shows the frequency distribution of the stress scores of the total respondents.64.2% of the total respondents fall in the moderate stress level category. Whereas 19.6% are in the higher level of stress, there are only 16.2% in the lower stress level.Since 64.2% is in the moderate level, it is further bifurcated into two sub categories – high to moderate and moderate to low stress level.37.3% respondents fall in high to moderate stress level. It is a warning zone and if there is an increase in stress level it can go to higher level and stress can become unmanageable for the employee. Moderate to low category stress level is a eustress and induces motivational force for the achievement of the goals.Minimum stress score is 23 and maximum stress score is 86, hence the range is 63. Mean of the stress score is 55.45 and standard deviation from mean is 15.8.

Table 3. Frequency Distribution of Productivity Level

| Productivity Score Range | Level of Productivity | Frequency | Percentage |
|--------------------------|-----------------------|-----------|------------|
| 25-68 | High | 51 | 25 |
| 69-80 | Moderate to high | 40 | 19.6 |
| 81-92 | Low to moderate | 45 | 22.1 |
| 93-125 | Low | 68 | 33.3 |
| | Total | 204 | 100 |

Table: Productivity level frequency and percentage distribution

| Productivity Statistics | |
|-----------------------------|---------|
| Total Number of Respondents | 204 |
| Mean | 83.4902 |

| | |
|------------------------|-----------|
| Std. Deviation | 1.95953E1 |
| Kurtosis | -.945 |
| Std. Error of Kurtosis | .339 |
| Range | 75.00 |
| Minimum | 46.00 |
| Maximum | 121.00 |
| Percentiles (100) | 1.2100E2 |

Minimum productivity score is 46 and maximum productivity score is 121, hence the range is 75. Mean of the productivity score is 83.45 and standard deviation from mean is 19.5. It shows that the frequency distribution of the productivity scores of the total respondents. 41.7% of the total respondents fall in the moderate productivity level category. Whereas 25% are in the higher level of productivity, there are only 33.3% in the lower productivity level. Since 41.7% is in the moderate level, it is further bifurcated into two sub categories – moderate to high and low to moderate productivity level. 19.6% respondents fall in moderate to high productivity level and 22.1% in low to moderate productivity level.

From this, it can be deduced that there is an impact of stress levels on the productivity levels of employee. As can be seen from the percentage distribution that 50% falls in moderate productivity and 33% are in lower productivity. Hence overall productivity of the department gets affected with increasing stress levels and in turn has an impact on the Organizational productivity. Different coping mechanisms are being used by the employees who are aware of their stress taking ability, to increase their efficiency in the task assigned. However problem arises for the moderate to high level and high level stress category employees who are finding it difficult to assess the causes of stress and then find ways to cope with it. Stress taking capacity of every individual differs and hence its impact on the productivity levels but surely impact is there, small or large that depends on the individual capability.

CONCLUSION

From the organization's stand point, management may not be concerned when employee experience low to moderate level of stress. Such levels may lead to higher employee performance. But high levels of stress or even low levels sustained over a long period of time, can lead to reduced employee performance and thus require action by management.

Management has to acknowledge stress as a management problem and address it to mitigate its effect. Otherwise the outcome will be loss of productive hours due to absenteeism, turn over, total cost of work-related accidents and work that is not up to the standards.

An individual has to manage the stress at optimum level and use different coping mechanisms to convert bad stress to positive one. Exercise, time management, prioritizing and diary management are the keywords that buzz around your life to make it more satisfying and fulfilling.

In an organizational context, Empowerment is defined as a multi-dimensional social process that helps employees gain control over their own activities by fostering power in employees. In that perspective, it has been promoted as a general recipe for enhancing work performance as it is considered to give employees the power to be involved in decisions and hence develop greater commitment to their organization (Brewer, 1996; Janssen, 2004; Niehoff et al, 2001; Seibert, Silver & Randolph, 2004; Tjosvold & Sun, 2006; Ugboro, 2006; Moye & Henkin, 2006; Chen et al, 2008). Empowerment is considered as an integral part of positive psychology which offers scope for enhancing positive work attitudes in the workplace (Alexander, 1998; Martin, 2005) and hence leads to motivated employees. Job environment and good leadership can make employees committed to their jobs and organization and strive to increase their productivity.

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TESTING THE EXISTENCE OF HERD INSTINCT: AN EMPIRICAL STUDY ON BSE SECTORAL INDICES

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ABSTRACT

Being a social creature, the herd instinct pushes individuals to imitate and ape the mental actions of surroundings. Similarly, the investors gravitate themselves with the behavioral pattern of environs which instigates the herding behavior. The research piece of work is exploring the prominent herding behavior amongst the 13 sectoral indices of Bombay Stock Exchange (BSE), starting from the period of January 2006 to December 2013. The abnormal returns of BSE sectoral indices have been calculated and the methodology of CH (1995) and CHK (2000) is being used for evidencing the existence or non-existence of herding behavior in BSE sectoral indices. The paper is an attempt to come across the herding behavior in bull and bear phases. To test the presence of herd instinct, a linear regression model has been applied. The result of the paper is endorsing the fact about BSE sectoral indices' efficiency or inefficiency as some of the sectors are significantly evidenced with the notion of herd instinct existence.

Keywords: Bull and Bear, Herd instinct, Efficient markets, Sectoral indices,

INTRODUCTION

Behavioral finance is an evolving theme of finance which incorporates the psychology of individuals into the traditional finance. Efficient Market Hypothesis (EMH), propounded by Eugene Fama (1960s) states that markets are efficient and every piece of information is being reflected in the prices of securities, but the theories of behavioral finance evidences that in general markets are quasi-rational or irrational. The notion behind this framework is the existence of human minds which gets affected by the happenings in the surroundings. The investment decision revolves around the behavioral aspects of investors, which gives birth to biases and distorts the meticulous investment decisions.

Herding behavior is one of the prominent biases in the field of behavioral finance which affects the market efficiency. The rational investor always wants to buy low and sell high, but the instincts of herding push investor to buy what others are buying and sell what others are selling irrespective of their own analysis and information what they possess with them. Many of the observers cite that the bubbles and crashes are also the end result of herding behavior as investors follow the acts of the crowd (Abhijeet V. Banerjee, 1992)

The theory of selective auditory attention also postulates the herding bias in the manner that individual listens to what they want to listen and give their ear to that sound and noise. This niche is connected with intentional herding rather than spurious herding where the piece of information is taken rationally on the grounds and investors take similar decisions. On the other side of the coin, this intentional herding finds its own ways by imitating the action of others by putting aside their own analysis and knowledge and rushes with the crowd. The bandwagon effect is to be seen by the acts and assessments of investors and the only thing is the decisions of early investors are to be followed by others keeping in view the snowballing effect (Sushil Bikhchandani and Sushil Sharma, 2001).

The underlying reasons for herding in human are that individuals feel secure to be a part of the group and chases the tag of being called labeled rather than a dissenter (Robert R. Prechter Jr. and Wayne D. Parker, 2007). Other than that, individuals think that they will get benefited with the piece of available information remained with the group which they might cannot access. The ultimate idea for herding instinct in individuals is driven by obtaining resources and minimizing the overall risks, but they want to ignore the fact that it can escort them to terrible crashes (Michael E. Price, 2013)

The Bombay Stock Exchange (BSE) is one of the oldest stock exchanges in Asia and fifth most active exchange in terms of number of transactions handled electronically. It has 13 Sectoral Indices namely, Automobile, Banking, Capital goods, FMCG, IT, Teck, Oil & Gas, Power, Metal, Consumer durables, Realty, Healthcare and PSU. This research paper is an attempt to explore the herding instinct in the BSE Sectoral Indices.

REVIEW OF RELATED LITERATURE

The varied available literature threw light on the existence and non-existence of herd behavior in the stock market.

(Christie, W.G., & Huang, R.D, 1995), used Cross Sectional Standard Deviation (CSSD) for finding the herd behavior in the markets. They evaluated that the mimic and following the flock behavior alternates in ordinary and intense phases of the market. They opened the layer of the mindset in the manner that if investors follow the direction of the market by not following the crowd the asset return will not deviate much from the average market return. That gives the reason of a reduction in CSSD.

(Andrea Devenow and Ivo Welch, 1996), explained the reasons for herding through available literature such as extreme negativity in bank runs, extreme positivity in liquidity aspects, considering the warning signals to reputation and learning through information. These factors give inputs to exacerbate the level of herding cognitive to the irrational minds of the investors. It is also found that effective communication channel may reduce the herd instinct, but the dilemma is to get that traffic filled data.

(Eric C. Chang , Joseph W. Cheng and Ajay Khorana, 2000), swayed the work of Christie and Huang (1995) on different international markets such as the U.S, Taiwan, South-Korea, Japan and Hongkong. The robust manner of Cross Sectional Absolute Deviation (CSAD) was being used which evidenced that in emerging markets like Taiwan and South-Korea herding exists significantly. Countries like the U.S. and Hongkong are affected by herd instinct only to a smaller extent. The level of information access and macroeconomic factors plays an important role which directly hits the herding gut feeling.

(Sushil Bikhchandani and Sunil Sharma, 2001), beautifully extended the work by focusing upon the reasons for herding, such as imperfect information, compensation structure and concern for reputation. The developed economies show signs of non-herding and the pattern is keenly correlates with the performance of manager for working upon the momentum strategies. In contrast, the emerging economy's tendency of herding is higher as reporting practices are not meticulous. Due to the reason of information asymmetry, there is always a possibility of informational drops and of reputation and reward foot herding.

(Guglielmo Maria Caporalea, Fotini Economou and Nikolaos Philippas, 2008), explored the instincts of herding in the Athens stock exchange in extreme market conditions. This evidenced that at the time of the crisis of the year 1999, herding was prevailing in the market conditions, but after the establishment of Greek equity markets in 2002 the behavior of investors skewed towards rationality. This paves the way for understanding that regulatory and other reform matters for the benign presence of balanced and lucid state of mind so that investors may apply their own logics and does not follow the irrational ways of the crowd.

(Tzwei Fu and Monli Lin, 2010), apparently explored the turnover effect on herding. Rather than using CSSD and CSAD, turnover effect is being studied during the period Jan 2004 to June 2009. As it is assumed that low turnover will result in higher dimensions of herding. In the Chinese equity market, the herding was found in the declining side in place of the advancing horizon of the markets.

(Jaya M. Prosad, Sujata Kapoor and Jhumur Sengupta, 2012), explored that for the period 2006 to 2011 Indian equity markets were informational efficient, due to the fact of non-existence of herding behavior. In continuation with this verity the herding was evidenced in gravitation with bull phase, whereas it contradicts with the proverb that crowd can never be wrong in bear phase of the market.

(Sardjoe, 2012), comprehensively studied that herd behavior is likely to be present at the time of extreme market returns. The period of volatility is characterized by panic situation for investors, which persuade them to hear the flocks. The approach employed in this paper is to ascertain the aspects of CSAD which assumes that if herding exists, the return of security will not deviate from the range of overall market returns.

(Safi Ullah Khan, 2013) , investigated the existence of herding instinct in emerging markets. The work in this series was tested on 18 sectors in the markets of Pakistan, which out rightly evidenced no herding behavior. Only 2 sectors were statistically observed as non linear herding behavior, even considering the ups and downs of the market.

(A. F. M. Mainul Ahsan and Ahasan H Sarkar, 2013), also evidenced in their research work that herding was not statistically significant in the period 2005 to 2011 in Dhaka stock exchange. It is just reverse of the common

consensus of existence of herding instinct in Bangladesh stock exchange. Investors now realizing that following the others direction might hit their portfolio. (Dalia El-Shiaty and Ahmed Abdelmoteli Badawi, 2014), also explored that although the emerging markets are full of information asymmetry, herding does not exist in Egyptian stock exchange.

The profound insight on research objectives and methodology which is the heart of any research is being provided in the next section.

RESEARCH OBJECTIVE

The notion of this research lies in the framework of finding out the herd instinct in the market. In this series, whether the bull and bear phase are touched with this herding behavior horizon will also be explored. This work will also examine whether the herding pattern is linear or non-linear by following the methodology of Christie and huang (1995) and Chang et.al. (2000).

DATA, HYPOTHESIS AND METHODOLOGY

The study employs the sample of BSE sectoral indices which travels around 13 indices, including Automobile, Banking, Capital goods, FMCG, IT, Teck, Oil & Gas, Power, Metal, Consumer durables, Realty, Health Care and PSU. The period from January 2006 to December 2013 was taken for the very same purpose which has the data set of 1987 days daily return. The earlier research is being done for taken the aspects for security and market but in this paper the sectoral indices will be taken as a security to examine the herd behavior in each of the indices of Bombay Stock Exchange. The underlying reason is to club all the related sector securities and find out the effect of their saga.

The available literature in context of Indian markets evidenced the presence and absence of herding behavior, but this paper is an attempt to explore the herd instinct in Bombay Stock Exchange sectoral indices. The idea is to see the sights, whether which of the indices are full of rational minds of investors and which one are lacking and equipped with quasi-rationality or irrationality.

HYPOTHESIS

H0: Herding exists in each of the BSE Sectoral indices

H0: Herding exists in Bull phase of the BSE Sectoral indices

H0: Herding exists in Bear phase of the BSE Sectoral indices

METHODOLOGY

The methodology of Chang et.al (2000) is being adopted for giving the shape to this research work. This is an extended version of Christie & Huang (1995). Both the models for return dispersion uses cross sectional returns which tends that the return of security will not deviate from the overall market returns if there is a pattern of herding. This also measure the existence of herding in extreme market situations, both positive and negative sides. This cross sectional methods narrows the gap between the return of security and overall market return.

Christie & Huang (1995) gave the way for calculating the result, which is known as CSSD (Cross Sectional Standard Deviation) for calculating the returns with respect to market returns. This is as underneath:

$$CSSD_t = \sqrt{\frac{\sum_{i=1}^N (R_{i,t} - R_{m,t})^2}{N-1}}$$

Here,

Rit is the observed return of sectoral index i at time t,

Rmt is the cross sectional average return of the market at time t,

N is the number of sectoral indices

This is a rational asset pricing model which has its root in CAPM model. In contrast to this later on Christie & Huang (1995) used the CSAD (Cross Sectional Absolute Deviation) model which is more keen and sensitive to individual security return. This is expressed as follows:

$$CSAD_t = \frac{1}{N} \sum_{i=1}^N |r_{i,t} - r_{m,t}|$$

Here,

N is the number of firms in the aggregate market portfolio,
 $r_{i,t}$, is the observed stock return on firm i for day t, and
 $r_{m,t}$, is the cross-sectional average return on day t.

The regression equation is as follows:-

$$CSAD_t = \alpha + b1Dt^L + b2Dt^U + et$$

The CSSD and CSAD of return were regressed against one constant and two dummies. In this series for identifying the extreme market phases DL is given 1 if it is in the extreme phase of 1% and 5% lower side of the dispersion and rest is equal to zero. Similarly, this will be applied for DU for the upper side of the distribution.

In place of this approach, Chang et.al (2000), proposed an approach for entire distribution of market returns which is expressed as follows:-

$$CSAD_t = \alpha + \gamma 1|rm,t| + \gamma 2r^2 m,t + et$$

Here, the relationship is between CSAD and market returns for detecting the presence of herd behavior. Likewise the CAPM model, herding does not exist if there is a positive coefficient γ , whereas the presence of herding postulates the negative coefficients. The squared market returns are also introduced as an additional term.

HERDING BEHAVIOR IN BULL AND BEAR PHASES OF THE MARKET

The movement of markets has strong impact on CSAD and on overall returns which paves the chances for the existence of herd behavior either in bull or bear phases. For this, the whole data points from January 2006 to December 2013 were segregated in decreasing and increasing modes.

$$CSAD_t^{Down} = \alpha + \gamma 1^D|rm,t^D| + \gamma 2^D(rm,t^D)^2 + et$$

$$CSAD_t^{Up} = \alpha + \gamma 1^U|rm,t^U| + \gamma 2^U(rm,t^U)^2 + et$$

Where: $\gamma 2^D$ ($\gamma 2^U$) is the coefficient of the value-weighted market portfolio return at time t when the market declines (increases), and rm,t^{Down} (rm,t^{Up}) is the value weighted market portfolio return at time t when the market decreases (increases).

RESULTS FOR OVERALL REGRESSION FOR BSE SECTORAL INDICES

Table 1

| $CSAD_t = \alpha + \gamma 1 rm,t + \gamma 2r^2 m,t + et$ | | | | | |
|---|-------------|----------------|------------------|--------------------------|-------------------|
| Indices | Intercept | Standard Error | Return of Market | Return of Market Squared | Adjusted R Square |
| Capital Goods | 0.056384406 | 0.054108256 | 0.206909236 | 11.0016659 | 0.04000894 |
| Auto | 0.052553543 | 0.048494416 | -0.005963157 | 19.14100214 | 0.116350144 |
| FMCG | 0.059368753 | 0.059955374 | -0.063236235 | 34.06616708 | 0.213935921 |
| Realty | 0.108658571 | 0.108041783 | -0.190796514 | 34.07938601 | 0.076141717 |
| Oil & Gas | 0.05072251 | 0.04670294 | -0.12136611 | 0.062571749 | 0.02920127 |

| | | | | | |
|-------------------|-------------|-------------|--------------|-------------|-------------|
| IT | 0.066279248 | 0.070789724 | 0.000411767 | 19.02769718 | 0.057155909 |
| Consumer Durables | 0.078455319 | 0.077253622 | -0.008702363 | 16.72120531 | 0.037399031 |
| Metals | 0.072972611 | 0.070726536 | -0.145055266 | 12.1311148 | 0.023263532 |
| Health Care | 0.054673379 | 0.051598936 | 0.162728618 | 34.16930988 | 0.277753419 |
| Power | 0.049609569 | 0.047198613 | 0.001464892 | 7.677851161 | 0.021127661 |
| PSU | 0.044487186 | 0.043439731 | 0.036220891 | 9.779528639 | 0.041413602 |
| Teck | 0.048753417 | 0.047630683 | 0.09435148 | 8.25155978 | 0.026426673 |
| Bankex | 0.054843763 | 0.053191827 | 0.082451171 | 10.16741988 | 0.031081592 |

RESULTS

After exploring the varied models it was observed that quadratic linear model is the best fit for testing the data. The results were significant and coefficients of some of the indices are showing the negative pattern which gives green nod to herd instinct. By eliminating the bifurcation of bull and bear phase, for the overall period from 2006 January to December 2013, it can be referred that herd instinct exists in Auto, FMCG, Realty, Oil & Gas, Consumer Durables and Metal indices.

Result at 1%

Table-3

| $CSADt^{Down} = \alpha + \gamma I^D / rm, t^D + \gamma 2^D (rm, t^D)^2 + et$ $CSADt^{Up} = \alpha + \gamma I^U / rm, t^U + \gamma 2^U (rm, t^U)^2 + et$ | | | | | | |
|--|-------|-------------|----------------|------------------|--------------------------|-------------------|
| Indices | Phase | Intercept | Standard Error | Return of Market | Return of Market Squared | Adjusted R Square |
| Capital Goods | Bear | 0.10191933 | 0.056196515 | 0.197951321 | 7.134804889 | 0.058470216 |
| | Bull | 0.10191933 | 0.056196515 | 0.197951321 | 7.134804889 | 0.058470216 |
| Auto | Bear | 0.077327503 | 0.041454378 | 0.992428262 | 7.590205245 | 0.282325195 |
| | Bull | 0.094130437 | 0.047033217 | 0.429930682 | 17.18108687 | 0.115632219 |
| Realty | Bear | 0.185253938 | 0.098211186 | -0.3154497 | 59.91698837 | 0.24298558 |
| | Bull | 0.192744797 | 0.109643926 | 1.442494609 | 1.343734465 | 0.037608778 |
| Oil & Gas | Bear | 0.078655356 | 0.041726823 | 0.009653038 | 24.73391248 | 0.206056025 |
| | Bull | 0.094536293 | 0.04563751 | -0.015631086 | 1.73838409 | 0.001477822 |
| IT | Bear | 0.110283252 | 0.082526861 | 1.046975464 | 5.812212036 | 0.07012163 |
| | Bull | 0.119897861 | 0.070100918 | 0.168109836 | 16.22014208 | 0.05048842 |
| Consumer Durables | Bear | 0.122966657 | 0.069969198 | 1.622157056 | -1.445293314 | 0.102069488 |
| | Bull | 0.13870592 | 0.083902329 | 0.764623754 | -3.137394145 | 0.003950445 |
| Power | Bear | 0.080577747 | 0.042994081 | 0.157012943 | 15.71422754 | 0.086481311 |
| | Bull | 0.081990394 | 0.048472039 | 1.013792386 | -5.589410516 | 0.032089658 |
| Health Care | Bear | 0.069458332 | 0.048468585 | 2.218341852 | 9.959890995 | 0.517712522 |
| | Bull | 0.084345574 | 0.051324074 | 1.293883741 | 8.04410257 | 0.183485573 |
| Teck | Bear | 0.044332293 | 0.050643272 | 0.753943321 | 1.078888213 | 0.040594804 |
| | Bull | 0.044053669 | 0.043946073 | 0.651748947 | -0.461615399 | 0.025895004 |
| Bankex | Bear | 0.090385609 | 0.046029441 | 0.788266007 | -4.700201007 | 0.022173327 |
| | Bull | 0.089879509 | 0.058074565 | 1.240833052 | -4.616120804 | 0.046039584 |
| PSU | Bear | 0.061220358 | 0.0413613 | 1.578409137 | -6.140059053 | 0.140914496 |
| | Bull | 0.074670709 | 0.043993752 | 0.789387476 | -3.899735103 | 0.027984502 |
| Metal | Bear | 0.099485965 | 0.067498631 | 2.520835826 | -14.64115103 | 0.117201715 |
| | Bull | 0.12917142 | 0.069654687 | 0.978546121 | -8.812179555 | 0.006338524 |

RESULT FOR BULL AND BEAR PHASE AT 1% LEVEL OF SIGNIFICANCE

Separate test for up and down phase of the market was conducted. If the value of either Return of market or return of market squared comes negative, it postulates the herd behavior. Likewise, the coefficients ($\gamma 2^D$ & $\gamma 2^U$) are negative and significant at 1% level of significance for some of the indices. Results are underneath:

Bull Phase: Herding exists in Oil and Gas, Consumer Durables, Teck, Power, PSU, Bankex and Metal

Bear Phase: Herding exists in Consumer Durables, Bankex, PSU and Metal

Relatively herding prevailed strongly in Bull Phase of the markets as out of the 13 indices 7 indices are showing the trend whereas in Bear Phase 4 are showing the herding presence. It is also observed that investors of Consumer Durables, Bankex, PSU and Metal follow the crowd that is why the dispersion of returns is lesser which does not deviate much with the daily returns from the mean returns.

Result at 5%

Table-5

$$CSADt^{Down} = \alpha + \gamma I^D |rm, t^D| + \gamma 2^D (rm, t^D)^2 + et$$

$$CSADt^{Up} = \alpha + \gamma I^U |rm, t^U| + \gamma 2^U (rm, t^U)^2 + et$$

| Indices | Phase | Intercept | Standard Error | Return of Market | Return of Market Squared | Adjusted R Square |
|-------------------|-------|-------------|----------------|------------------|--------------------------|-------------------|
| Capital Goods | Bear | 0.082620238 | 0.051148059 | 0.354614653 | 6.212622205 | 0.022345085 |
| | Bull | 0.087269803 | 0.056031942 | 0.01630469 | 8.539498631 | 0.047193632 |
| Auto | Bear | 0.062695877 | 0.042634396 | 1.115973657 | 6.968379311 | 0.250901666 |
| | Bull | 0.073243088 | 0.04834163 | 1.491493254 | -6.751029119 | 0.082496732 |
| Realty | Bear | 0.158672486 | 0.098485306 | -0.879588423 | 69.21150603 | 0.209380568 |
| | Bull | 0.162232862 | 0.109010595 | 1.774106946 | 0.638246808 | 0.046724033 |
| Oil & Gas | Bear | 0.065362989 | 0.041338392 | 0.045513128 | 24.04934095 | 0.172437146 |
| | Bull | 0.076623142 | 0.04648827 | 0.281518016 | 0.742891661 | 0.006394484 |
| IT | Bear | 0.092011565 | 0.077993487 | 1.03068462 | 6.296618403 | 0.069451224 |
| | Bull | 0.098323601 | 0.068888659 | 0.517799432 | 10.64734165 | 0.046338996 |
| Consumer Durables | Bear | 0.099584905 | 0.070078527 | 1.86611219 | -2.086037318 | 0.113120251 |
| | Bull | 0.11332922 | 0.081384783 | 0.79222743 | 0.493413986 | 0.011420705 |
| Power | Bear | 0.062915449 | 0.043548416 | 0.903486827 | -0.957168551 | 0.059033847 |
| | Bull | 0.06857952 | 0.048335728 | 1.01910676 | -5.127932212 | 0.033882262 |
| Health Care | Bear | 0.05342061 | 0.047259988 | 2.416936168 | 8.917991973 | 0.49521363 |
| | Bull | 0.066631437 | 0.049288366 | 1.742481823 | 4.945610087 | 0.217685986 |
| Teck | Bear | 0.043834512 | 0.050625897 | 0.768250015 | 1.007207796 | 0.041324812 |
| | Bull | 0.04343524 | 0.043975289 | 0.68530499 | -1.013745726 | 0.026505315 |
| Bankex | Bear | 0.070414236 | 0.046255395 | 1.013514928 | -3.85848601 | 0.046668336 |
| | Bull | 0.075362656 | 0.057343029 | 1.196877146 | -4.64051142 | 0.043022188 |
| PSU | Bear | 0.050028782 | 0.040668661 | 1.567621006 | -5.86427301 | 0.138276246 |
| | Bull | 0.061153727 | 0.043348318 | 1.02005461 | -5.177611167 | 0.046846307 |
| Metal | Bear | 0.081631669 | 0.065997516 | 2.323239103 | -12.86725703 | 0.101606067 |
| | Bull | 0.11305726 | 0.070462818 | 0.592800055 | 1.274324789 | 0.009052873 |

RESULT FOR BULL AND BEAR PHASE AT 5% LEVEL OF SIGNIFICANCE

Similarly, the coefficients ($\gamma 2^D$ & $\gamma 2^U$) are negative and significant at 5% level of significance for some of the indices:

Bull Phase: Herd behavior present in Auto, Power, Teck, Bankex, and PSU

Bear Phase: Herding present in Realty, Consumer Durables, Power, Bankex, PSU and Metal.

It can be inferred that whenever there is a phase of extremes, both up and down side of the market indices like, Bankex, Power and PSU prevails herd aspects. The returns do not vary widely from the mean returns and dispersion is lesser in these cases.

CONCLUSION

It can be concluded that herding exists in many of the BSE Sectoral Indices during the period January 2006 to December 2013. The results are in the line of the findings of (Lakshman, 2011). The magnitude of herd

behavior was relatively higher in bull phase of the market at 1% level of significance. As markets have evidenced very volatile in past couple of years, investors does not want to lose their hard earned money as they are jam-packed with the fear. This could be the after effects of Global Financial Crisis which have hurt them psychologically and financially in varied areas. Investors want to avoid panic and flies with the rest of the flocks.

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A STUDY ON CONSUMER BEHAVIOR OF ONLINE SHOPPERS OF BERHAMPUR, ODISHA

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ABSTRACT

The internet boom has enabled new forms of human interactions through instant messaging, internet forums, and social networking. Internet has also revolutionaries the world of business through online shopping etc. that has come as a boon both for major retail outlets and small artisans and traders. Internet browsers and online shoppers are the target audience of companies that heavily promote through the online. The rapid growth in number of internet users in India provides a bright prospect for e-marketers. Taking a cue from the global trends and especially its Asian peers, the transacting user base in India is at a cusp of rapid growth in coming years. If the first phase was fuelled by the adoption of online travel, we believe the second phase of growth will be driven by e-tailing. There are currently over 17 million subscribers to the service, making it one of the largest mediums of information dissemination to the rural populace. E-Farm is another initiative that utilizes technology to create an efficient low cost supply chain mechanism connecting farmers with the end markets. Odisha the area of our study is typically a market that satisfies the above conditions.

Key Words: E-commerce, Internet users, Browsers.

INTRODUCTION

The introduction of Internet market in 1995 marked the beginning of first wave of e-commerce in India. Moreover economic liberalization in 1991 attracted MNCs and brought the growth of IT industry. Demise of license regime and high taxes facilitated the growth of SMEs. The IT industry and SMEs were the early adopters of Internet. This led to the emergence of B2B, job searches and Matrimonial portals. Internet has made it so flexible and convenient for companies to approach consumers and vice versa around the clock 24*7. Due to the increasing penetration of internet and activities such as social media networking; consumers, especially youth, are spending longer hours on the internet which makes it an efficient tool for companies to generate advertisements to attract them.

LITERATURE REVIEW

There are a few studies in literature on online advertising and online promotions and their implications on the future of marketing.

According to previous studies, consumers' characteristics and goals have been found to influence their behaviors such as purchasing, revisiting intentions, and attitudes toward a website (Wolfenbarger & Gilly, 2001). Consumers' personalities that lead to different shopping behaviors can be classified in two main orientations, i.e., utilitarian and hedonic. Consumers who are utilitarian have goal-oriented shopping behaviors. They usually shop online based on a rational necessity that is related to a specific goal (Kim & Shim, 2002). On the other hand, consumers who are hedonists have experiential shopping behaviors. The hedonists do not only gather information to shop online but also seek fun, fantasy, arousal, and enjoyable experiences (Monuwe et al., 2004). In light of this, hedonic and utilitarian consumers handle and interact with websites differently because of their different personalities and motivations. The companies that engage in online promotions must accordingly target their promotions to both hedonic and utilitarian groups of consumers'.

Lu et al (2005) suggested that perceived usefulness has an impact on attitude towards online shopping. In a study conducted on online users in Thailand, Chiu et al (2005) concluded that online stores are perceived as more user friendly to facilitate online store visits. The consumer attitude towards online applications is influenced by perceived ease of use.

Mengli (2005) developed a conceptual framework that defined the relationship between independent variables and dependent variables. For the purpose of study, the dependent variable was identified as intention towards online shopping and the independent variables were Perceived ease of use, personal awareness of security, perceived usefulness, perceived risk, trust and demographic factors. The researcher studied variations in consumers' attitude towards online shopping and concluded that the latter is not affected by differences in gender, age and education levels in Bangkok. Further, consumers who hold more positive attitudes towards online shopping have high intentions to make online purchases.

According to ACNielsen (2007), more than 627 million people in the world have shopped online. Forrester (2006) research estimates e-commerce market will reach \$228 billion in 2007, \$258 billion in 2008 and \$288 billion in 2009. By 2010 e-commerce will have accounted for \$316 billion in sales, or 13 percent of overall retail sales. ACNielsen also reported that, across the globe, the most popular items purchased on the Internet are books (34%), followed by videos/DVDs/games (22%), airline tickets/reservations (21%) and clothing/accessories/shoes (20%). Goecart forecasts that US online population will increase nearly 50%, from 1471.5 million in 2001 to 210.8 million by 2006 (Cumulative Annual Growth Rate of 8.2%) and online retail sales will grow from US\$47.8 billion in 2002 to \$130.3 billion in 2006. Similarly WIPO (2007) cited that about 10% of the world's population in 2002 was online, representing more than 605 million users.

Much research has been concentrated on the online shopping in the world. However, there is still a need for closer examination on the online shopping buying behavior in developing countries like India. While both established and new, large and small scale businesses are now using the Internet as a medium of sales of their products and services (for example Dell computer, Amazon.com, in the world and jobstreet.com, rediff.com). Still there is a huge research gap that exists not only between countries, especially between developed and developing countries, which may differ significantly between countries (Stieglitz, 1998; Shore, 1998; Spanos et al., 2002) that limit the generalization of research results from developed countries to developing country contexts (Dewan and Kraemer, 2000; Clarke, 2001). Shore (1998) and Stiglitz (1998) reported that implementation of information system depend on specific social, cultural, economic, legal and political context, which may differ significantly from one country to another country. Dewan and Kraemer (2000) and Clarke (2001) argued in their study that findings from developed countries are not directly transferable to developing countries. Thus, this research is needed for non-transferability of findings from research in developed countries like India, china, Brazil etc and also for the improvement of understanding of the determinants of online shopping in developing countries.

Online shopping holds a great potential for youth marketers. According to Vrechopoulos et al. (2001) youth are the main buyers who used to buy products through online. Dholakia and Uusitalo (2002) study examined the relationship between age and Internet shopping; found that younger consumers reported more linen to the online shopping. Another study by Source et al. (2005) found that younger consumers searched for more products online and they were more likely to agree that online shopping was more convenient.

Holbrook (1994) intrinsic motivation for Internet shopping is captured by the "enjoyment" construct in our framework. Intrinsic value or "enjoyment" derives from the appreciation of an experience for its own sake, apart from any other consequence that may result.

Childers et al (2001) concluded that "enjoyment" results from the fun and playfulness of the online shopping experience, rather than from shopping task completion. The purchase of goods may be incidental to the experience of online shopping. Thus, "enjoyment" reflects consumers' perceptions regarding the potential entertainment of Internet shopping found "enjoyment" to be a consistent and strong predictor of attitude toward online shopping.

RATIONALE OF STUDY

The rapid growth in number of internet users in India provides a bright prospect for e-marketers. This rapid growth in the number of internet users has promoted a belief in many business circles that the web represents a huge marketing opportunity Therefore, understanding how consumers perceive benefits of online promotions is important from an organizational perspective.

Growth of E-Business in India is tremendous but still has lot of barriers which are the obstacles in the way of E business. It needs a focus and should be prioritize to make the country in the lines of E-Business. We should look into these barriers and steps should be taken to address them. In this paper I describe the definitions and understanding of E-business, the differences between E-Commerce and E-Business, its advantages over traditional commerce, types, E-Business in India.

EXTERNAL GLOBAL TRENDS

Business models across the world also continue to change drastically with the advent of e-commerce and this change is not just restricted to USA. Amongst emerging economies, China's ecommerce presence continues to expand. With 384 million internet users, China's online shopping sales rose to \$36.6 billion in 2009 and one of

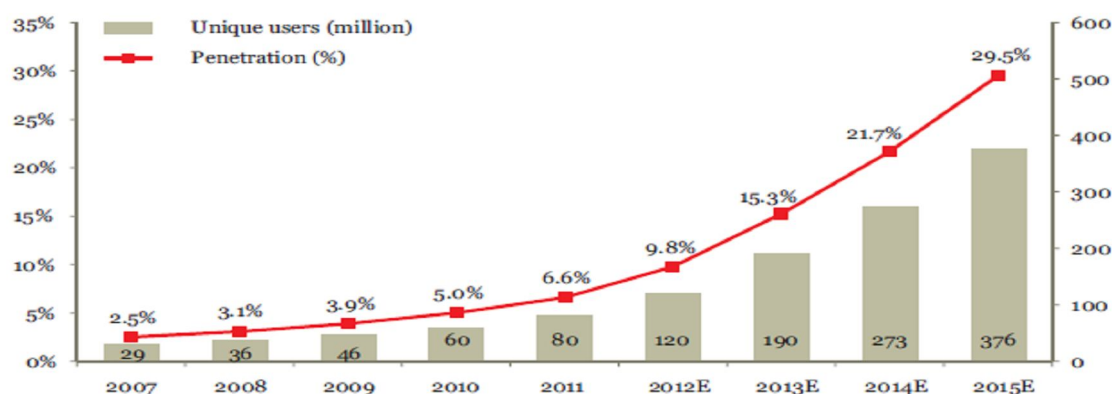
the reasons behind the huge growth has been the improved trust level for shoppers. Other countries are also contributing to the growth of ecommerce. For example, the United Kingdom has the biggest e-commerce market in the world when measured by the amount spent per capita, even higher than the USA. The internet economy in UK is likely to grow by 12% between 2010 and 2016.

Online retail, in its various forms, has been drawing the maximum interest among all the segments of the internet commerce market.⁴³ A recent report by com Score Inc. indicated that 60% of online users in India visited retail sites in November 2011. The Indian retail industry was estimated at US\$528 billion in 2012 (growing at 11% per annum). A significant portion (90.4%) of Indian retail is unorganized. Nevertheless, the share of organized retail is growing at 24% per annum. Currently, online retail constitutes 1% of the total organized retail market in India and is set to make a higher contribution to the growth of organized retail in the country.

EMERGING BUSINESS MODELS IN INDIA E-MALLS OR E-MARKETPLACES

An electronic mall (e-Mall) or e-Marketplace provides a platform for merchants to set up virtual stores and sell their merchandise. Merchants frequently choose this option due to the advantages of reduced cost and the complexity of putting products up for sale on the web. They also benefit from leveraging websites (e-mall) traffic and user base, given the expectation that visiting other stores on the e-mall would lead to visits to their stores as well. Smaller merchants also look to leverage the brand name of the e-Marketplace, based on the premise that this would lead to increased trust and, therefore, readiness on customers' behalf to buy products online. Larger merchants sell their products through these virtual stores, in addition to their own sales channels. Product pricing is not controlled by e-Commerce players and is decided by merchants. For the purpose of billing, merchants use the common payment gateway/method provided by the e-Commerce player hosting the platform. These marketplaces allow consumers to sell products directly to other consumers, either at a fixed price or through auctions. E-Commerce players allow monetary exchange through offering payment modes on their websites or proposing direct payment by buyers to sellers. Membership or subscription fees from sellers setting up virtual stores, and commission charges on transactions and advertising fees are various revenue sources for e-Commerce players.

Unique Internet users in India (in million)



Source: Avendus estimates

TOP CATEGORIES DRIVING ONLINE RETAIL

Electronics is the largest category of products selling online in India, with a market share of 61%. Electronics include computers, peripherals, televisions, cameras and mobiles. While electronics goods enjoy the maximum popularity in India, apparel and accessories seem to be the largest-selling categories in leading markets such as the US, the UK and Germany. This is because of the higher margins that this category generates for e-Commerce players. As is the case in leading e-Commerce markets, we can expect online retailers to shift to selling higher-margin products such as apparel.

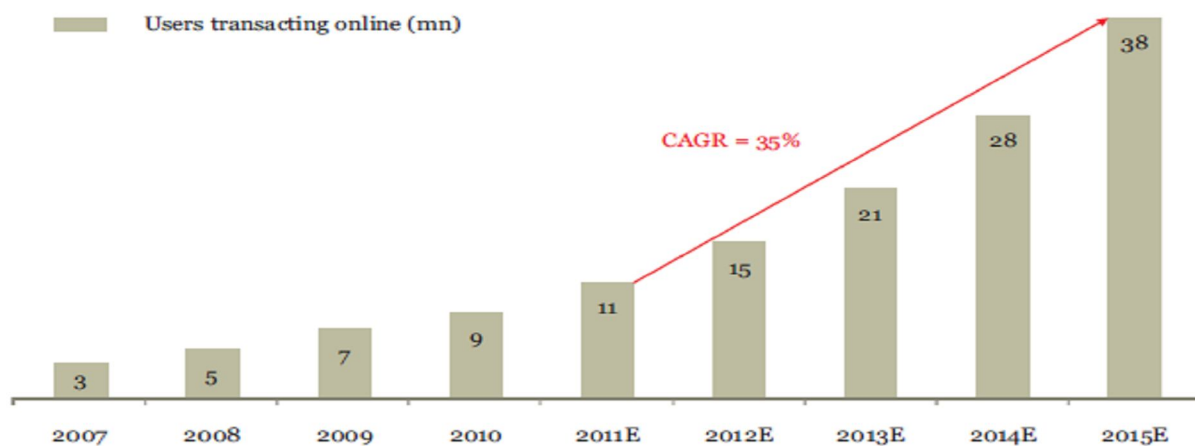
The preference for apparels in online shopping is a global phenomenon. According to a survey conducted by Nielsen in March 2010, books and clothing/accessories/shoes emerged as the most preferred product categories to be bought online in the next six months. A total of 44% of the respondents claimed to buy books online in the next six months, while 36% preferred clothing/accessories/shoes.

80 million users, a long way to go

There are an estimated 80 million Internet users in India today, which represents a penetration of 7% of the population (17% of urban population). This is significantly lower than global benchmarks (average 31% of total population)

Fortunately, this is an aspect of the ecosystem that is witnessing heightened activity on various counts. This includes the commercial launch of 3G mobile services in early 2011 and the launch of 4G broadband recently by one player (with others slated to launch in early 2012). There is also the National Broadband Plan 2010 conceived by the government, which envisages government investments of Rs 20,000 Crore (\$4.5 billion) to build a National Fiber Optic Network. We have conducted a detailed analysis of the growth trends of various technologies, and expect the number of unique Internet users in India to reach 376 million by 2015 – close to 5 times the current number

Number of Internet users transacting online - India (in million)

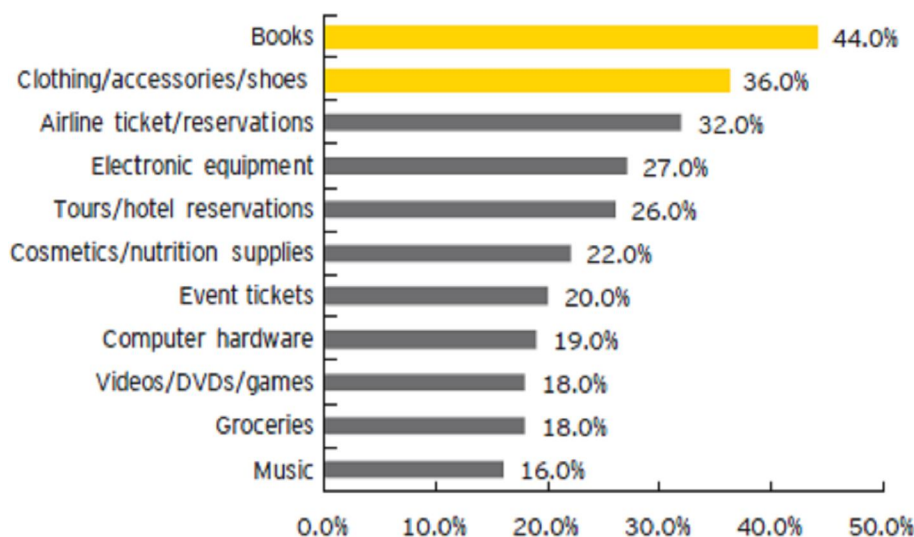


Source: Avendus estimates

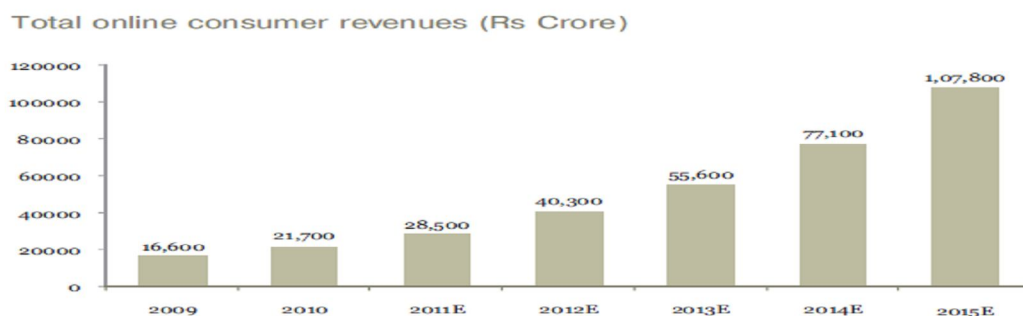
Indian e-commerce industry taking giant strides: Estimated to grow to Rs 107,800 Core (\$24 billion) by 2015

The Indian e-commerce market is estimated at Rs 28,500 Crore (\$6.3 billion) for the year 2011. Online travel constitutes a sizeable portion (87%) of this market today. Globally, online travel constitutes a much smaller portion of the overall e-commerce pie - in the US, online travel contributes 37% of total e-commerce revenues (Exhibit 56). Asian markets, especially China and Japan have been even lower (less than 20% in both these countries) in terms of online travel’s contribution to e-commerce

Eg: Products/services intended to be purchased over the next six months june-10



We expect the Indian market to also evolve towards higher contribution from e-tailing incoming years. As per our estimates, e-tailing will catch up with online travel by 2015, with each of them contributing approximately \$12 billion to the total ecommerce market in that year.



Source: IAMA digital commerce 2011; Avendus estimates

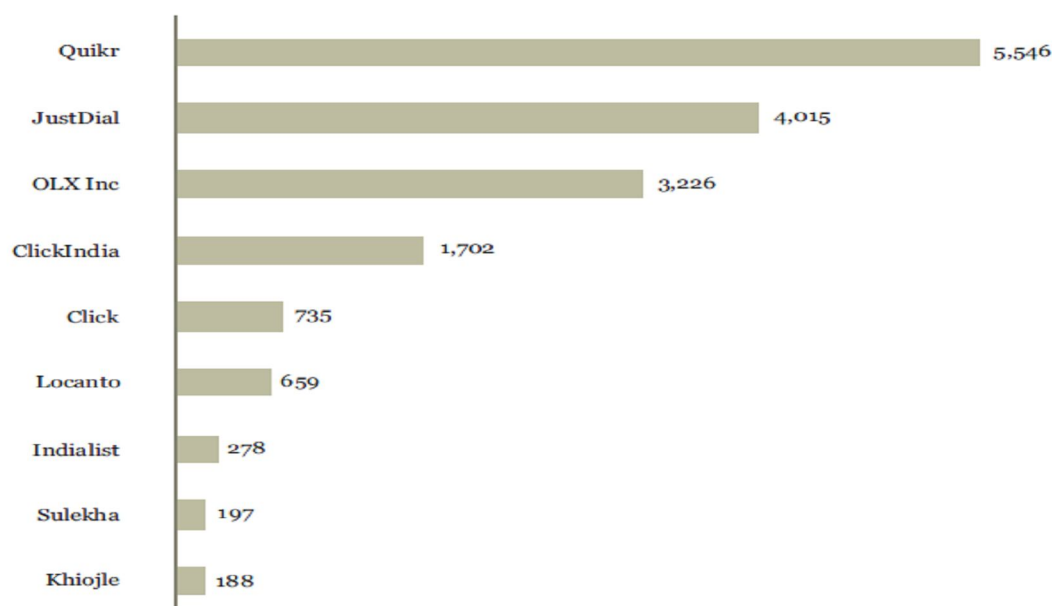
Horizontal classifieds have had a relatively quiet time in India. But, that is beginning to change as horizontal classifieds have gained significant traction from consumers and a strong pull effect is getting created. For example, Quikr’s current growth is largely driven by organic traffic (i.e. traffic not resulting from Search-Engine marketing (SEM)).

ACCESS IN 2015: THE FACTS THAT MATTER

80 million online users today, 376 million by 2015 Device costs - PCs or smart phones are not going to be limiters to growth. Access and pricing will play the major role PC broadband - the key driver for e-commerce growth - to have 15.6% household penetration Conventional wire line broadband likely to be eclipsed by the introduction of 4G and the growth of CDMA dongles 3G will change the face of Internet access - creating access for 22% of the population Shared, or public access will reduce in proportion as more people get personal Internet access The time spent online will grow by 27% per user - driving advertising and commerce Number of transacting users to grow from 9 million at present to 38 million.

When a Flipkart, Myntra or Yebhi advertisement is aired on national television, a middle class family is intrigued enough to explore the Internet medium and get their first Internet connection (especially since a majority of these families consist of the youth).

Top players in the classifieds/local search space by number of unique visitors — September 2011 (in '000)



Source: Comscore

DEMOGRAPHICS: BEYOND METROS.

Tier I cities dominate, but penetration increasing fast across tier II/III cities and towns

The geographic distribution of Internet users has been skewed towards tier I cities till date. However, the number of users in other cities and towns has been increasing steadily, and this trend is expected to accelerate as the next 100 million users get added. This augurs well for the e-tailing industry as 30-40% of their total sales already come from tier II/III cities. The penetration of modern retail in tier II/III cities is much lower than that in tier I cities. The Internet has the potential to solve the availability issue faced in these places.

The digital-divide is reducing

The National Broadband Plan 2010 envisages Internet in every village by 2014, by utilizing the Universal Service Obligation (USO) fund to build infrastructure. Private players have also been playing their part in reducing the digital divide.

ITC's e-choupals, for instance, is involved in building connectivity infrastructure across villages to provide real-time market price information of crops to farmers. There are over 6,500 e-choupals in operation today, covering 40,000 villages across 10 states. Similarly, Nokia life tools, is a mobile subscription service, where one of the primary services is the delivery of weather forecasts for the region through periodic SMS updates. There are currently over 17 million subscribers to the service, making it one of the largest mediums of information dissemination to the rural populace. E-Farm is another initiative that utilizes technology to create an efficient low cost supply chain mechanism connecting farmers with the end markets. Odisha the area of our study is typically a market that satisfies the above condition.

RESEARCH METHODOLOGY

Research on the effect of consumer behavior towards e-marketing is a descriptive research. Here population represents residents of Berhampur city in Odisha. Researcher has done ample selection of respondents comprises of business professionals, students & other educated people of urban area only. Study undertaken use stratified sampling i.e. population is divided into a 5 strata according to gender, age, income, occupation educational qualification. For each stratum, 300 respondents were picked by random means from different areas. Sample size of research is arbitrarily taken for the convenience of research. Questions were prepared using Nominal scale & Ordinal scales as attributes studied were non parametric. After checking the validity & reliability of the questionnaire primary data was collected from respondents in city malls(Kolkata Bazaar, Vishal Mega Mart, The World) , cyber cafes including Reliance Web World, Sify internet cafe. Since scale used in the questionnaire was non- parametric in nature therefore data was coded in order to analyze data. The identified products purchased, frequencies of purchase, mode of payments are the other subjects for study.

OBJECTIVE

1. To find out the factors affecting the online shopping behavior
2. To study the behavior of online shopping
3. To study the factor important while using the online shopping.
4. To study the Satisfaction level of online shopper.

Research design specifies the methods and procedures for conducting a particular study. A research design is the arrangement of conditions for collection and analysis of the data in a manner that aims to combine relevance to the research purpose with economy in procedure. Research design is broadly classified into three types as

1. Exploratory Research Design
2. Descriptive Research Design
3. Causal Research Design

The Exploratory research was chosen in our study.

EXPLORATORY RESEARCH DESIGN

Exploratory research study is also termed as formative research studies. The main purpose of such study is that of formulating a problem for more precise investigation or of developing a working hypothesis from an operational point of view. The major emphasis of such studies is of the developing of discovery of idea and insight.

Sample design A Sample Design is a definite plan for obtaining a sample from a given population. It refers to the technique to the procedure adopted in selecting items for the sampling designs are as below:

1. **Sample size:** The substantial portions of the target customer that are sampled to achieve reliable result are 300.
2. **Universe:** Online Shoppers of Berhampur city of Odisha
3. **Sampling method:** Non-probability sampling method: Convenience Sampling
4. **sample technique** Percentage analysis , Tabulation ,Graphical & Average mean

Data collection The study was conducted by the means of personal interview with respondents and the information given by them were directly recorded on questionnaire. For the purpose of analyzing the data it is necessary to collect the vital information. There are two types of data, this are- Primary Data & Secondary data

Collection technique: Primary Data -Questionnaire method & **Secondary Data** - Books, Journal & Website

LIMITATIONS OF STUDY

1. People were not ready to fill in the questionnaire
2. Many of the surveyed people did not reply all the questions.
3. The time period given for study was very limited.
4. The sample size was very small which is may not represent the entire population of Indian women.
5. Many of the people did not even know the working of a computer

ANALYSIS AND INTERPRETATION SCALE USED FOR FINDING

I) Importance of factor affecting online shopping

- 5=Very important
- 4=Important
- 3=Neither important nor unimportant
- 2=Unimportant
- 1=absolutely no importance

II) For Satisfaction

- 5=very satisfied
- 4=Satisfied
- 3= Neither Satisfied nor dissatisfied 2=Dissatisfied
- 1=Highly dissatisfied

Table 1 (Graph of Demographic Factors)

| Factors | Sub-group | Response | % of Response |
|---------------------------|--------------------------|-----------------|----------------------|
| Gender | Male | 234 | 78 |
| | Female | 66 | 22 |
| Age Group | Below 30yrs | 113 | 37.66 |
| | 30-50yr | 98 | 32.66 |
| | 50 above | 89 | 29.66 |
| Income | Less than Rs 10000 PM | 99 | 33 |
| | Rs 10000- Rs 30000PM | 109 | 36.33 |
| | More than Rs30000PM | 92 | 30.66 |
| Educational Qualification | 10 th pass | 46 | 15.33 |
| | 12 th pass | 66 | 22 |
| | Graduates, B.Tech. | 79 | 26.33 |
| | Post Graduate | 82 | 27.33 |
| | Others | 27 | 09 |
| Occupation | Student | 123 | 41 |
| | Service(Govts + Private) | 59 | 19.66 |
| | Business, Professional | 62 | 20.66 |
| | House Wife | 56 | 18.66 |

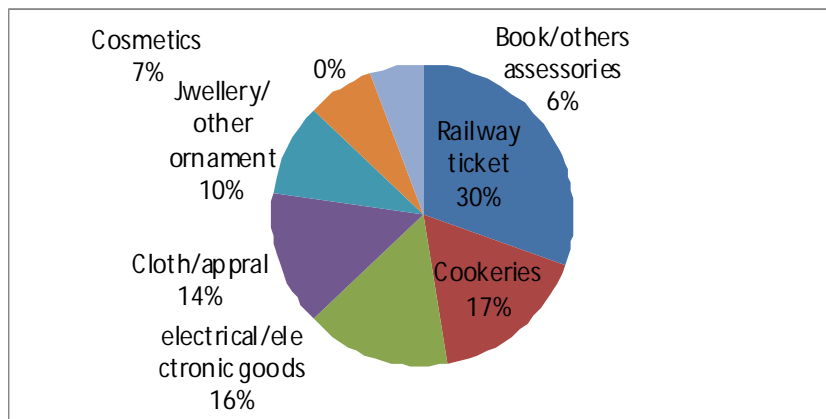
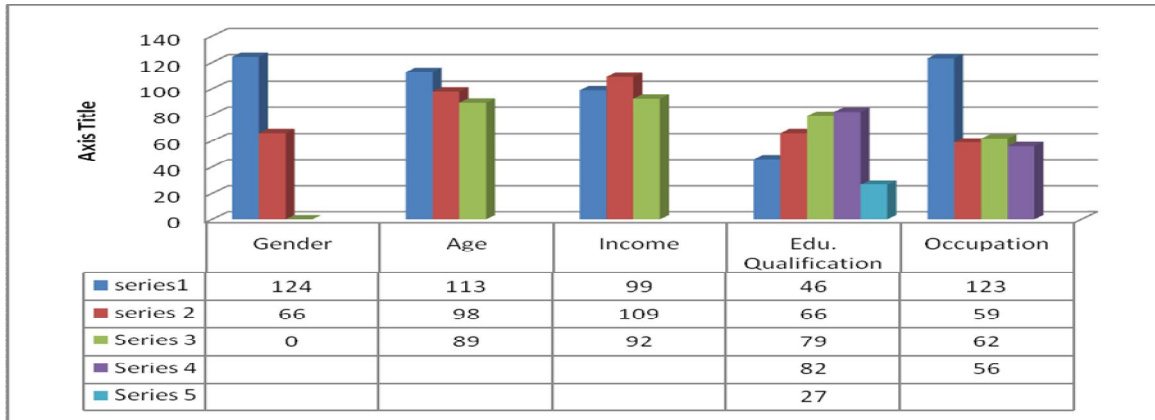


Table-2 (Graph of Products Purchased)

| Product | Response | % of Response |
|-----------------------------|----------|---------------|
| Rail way Ticket | 91 | 30.33 |
| Cookeries | 51 | 17 |
| Electrical/ Electronic item | 47 | 15.66 |
| Cloth/ apparels | 43 | 14.33 |
| Jewellery/ other ornaments | 30 | 10 |
| Cosmetics | 21 | 7 |
| Books and other accessories | 17 | 5.66 |

Interpretation According to survey 33.3% respondent have purchased Train ticket while 17% preferred cookeries.15% electrical and electronic items, 14.33% cloth and apparel, 10% jewelries. 7% cosmetics and 5.66% purchased books and other related accessories.

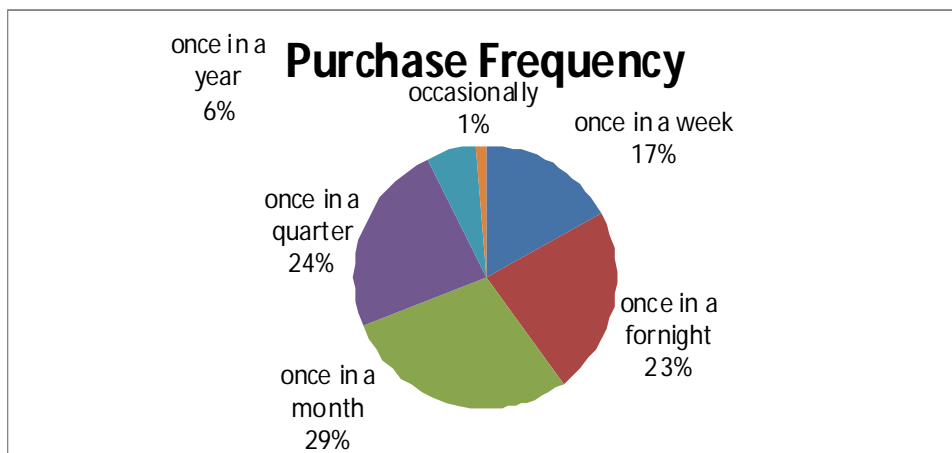


Table 3 (Graph of Frequencies of Purchase)

| Frequencies of Purchase | Response | % of Response |
|-------------------------|----------|---------------|
| Once in a week | 51 | 17 |
| Once in a fortnight | 69 | 23 |
| Once in a month | 87 | 29 |
| Once in a quarter | 71 | 23.66 |
| Once in a year | 18 | 06 |
| Occasionally | 04 | 01.33 |

Interpretation According to survey 11 %respondents make payment through Dedit cards, 24% use Credit cards, 11% Online Bank transfer and 54% use payment Cash on delivery.

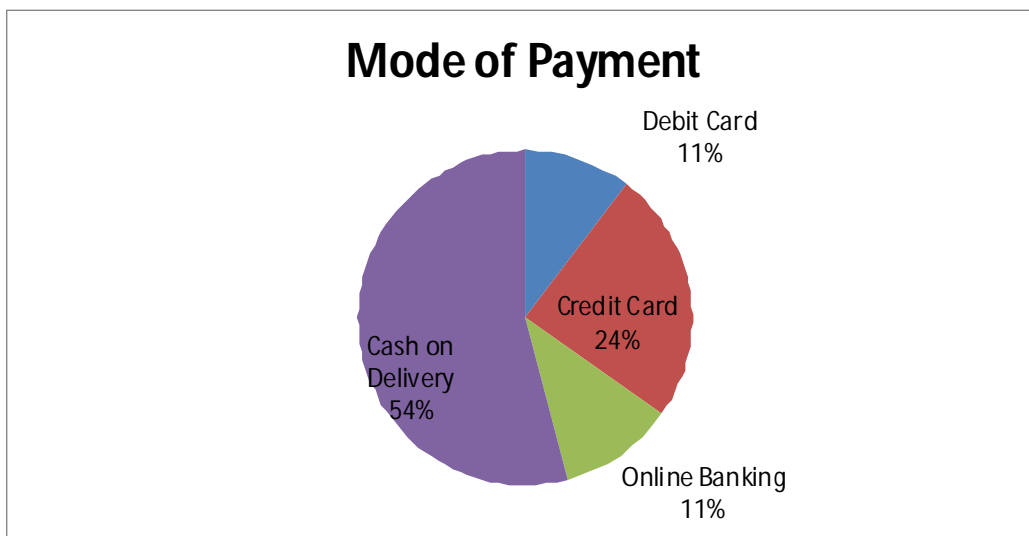


Table-4 (Graph of Mode of Payment)

| | | |
|------------------|-----|--------|
| Credit Card | 31 | 30.33% |
| Debit Card | 73 | 24.33% |
| Online Payment | 34 | 11.33% |
| Cash on Delivery | 162 | 54% |

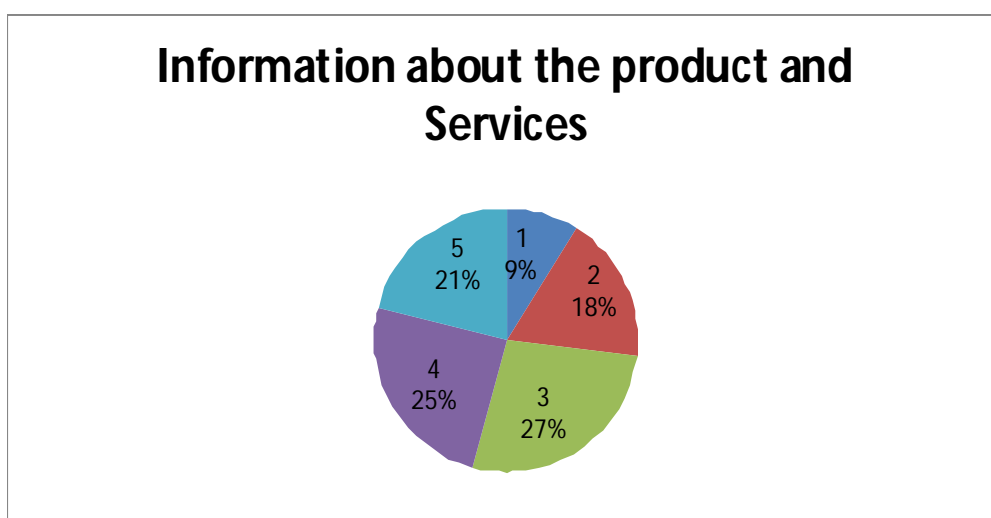


Table 6 & Graph of Information about product and Services

| Rating | 1 | 2 | 3 | 4 | 5 |
|-------------|----|----|----|----|----|
| Respondents | 27 | 54 | 81 | 75 | 63 |

Average score of Respondents = $1 * 27 + 2 * 54 + 3 * 81 + 4 * 75 + 5 * 63 = 993 / 300 = 3.31$

Interpretation According to all score, it can be interpreted that information about product and service is an important factor while using online shopping.

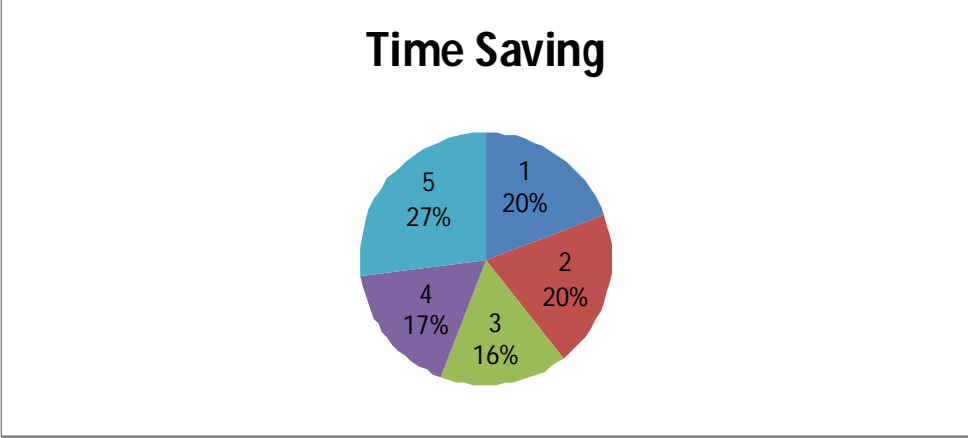


Table 7 (Graph of Time Saving)

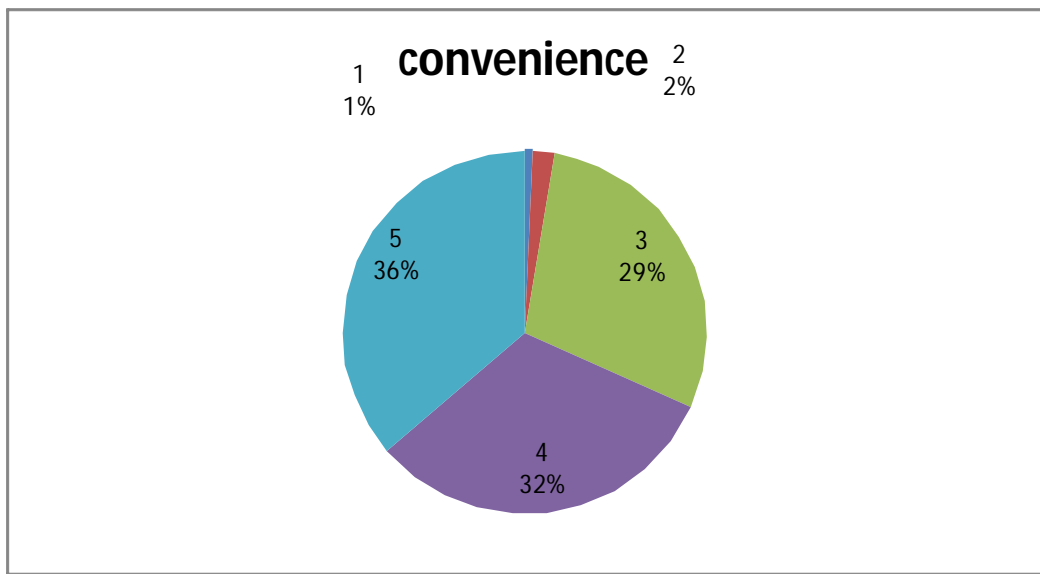
| Rating | 1 | 2 | 3 | 4 | 5 |
|-------------|----|----|----|----|----|
| Respondents | 58 | 60 | 49 | 51 | 82 |

Average Score of Respondents = $1*58 + 2*60 + 3*49 + 4*51 + 5*82 = 934/300 = 3.11$

Interpretation According to this score, it can be interpreted that time saving can be consider as an important factor while using online shopping.

Table 5 (Graph of Convenience)

| Rating | 1 | 2 | 3 | 4 | 5 |
|-------------|---|---|----|----|-----|
| Respondents | 2 | 6 | 87 | 96 | 109 |



Average Score Respondents: $1 * 2 + 2 * 6 + 3 * 87 + 4 * 96 + 5 * 109 = 1204/300 = 4.01$

Interpretation According to this score, it can be interpreted that convenience in online shopping is an important factor.

Table 6 (Graph of Security)

| Rating | 1 | 2 | 3 | 4 | 5 |
|-------------|---|----|----|----|-----|
| Respondents | 0 | 12 | 34 | 98 | 154 |

Average Score Respondents : $1 * 0 + 2 * 12 + 3 * 34 + 4 * 98 + 5 * 154 = 1288/300 = 4.29$

Interpretation According to this score, it can be interpreted that security in online shopping is an important factor.

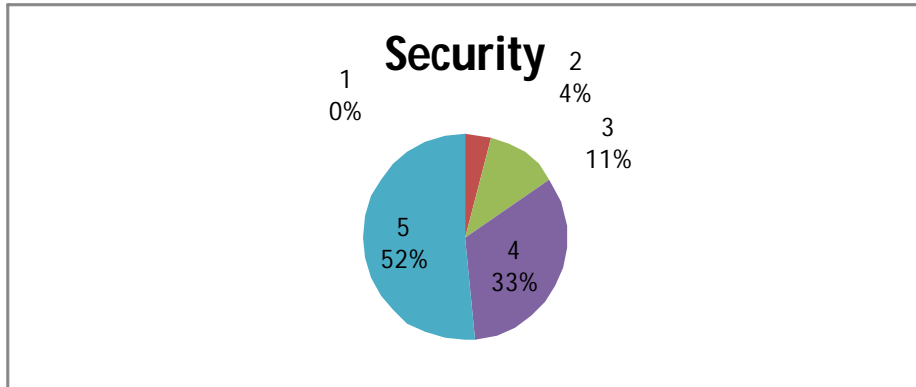
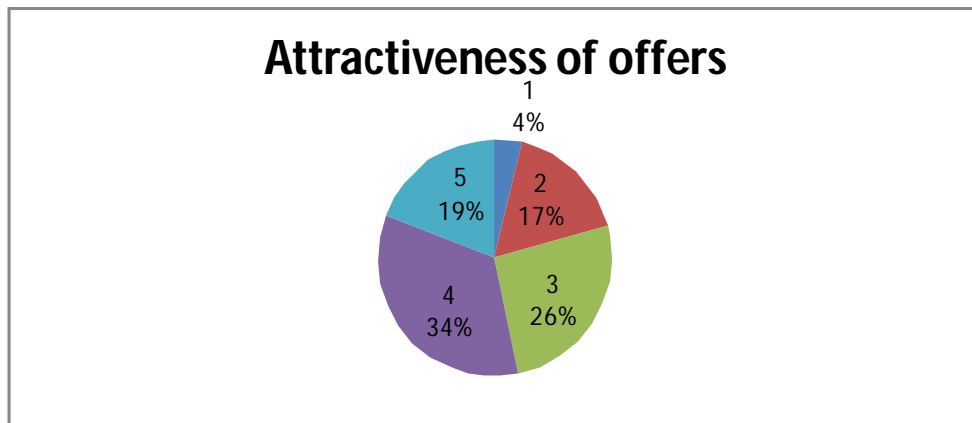


Table 7 (Graph of Attractive Offer or Discount)

| Rating | 1 | 2 | 3 | 4 | 5 |
|-------------|----|----|----|-----|----|
| Respondents | 11 | 51 | 79 | 102 | 57 |

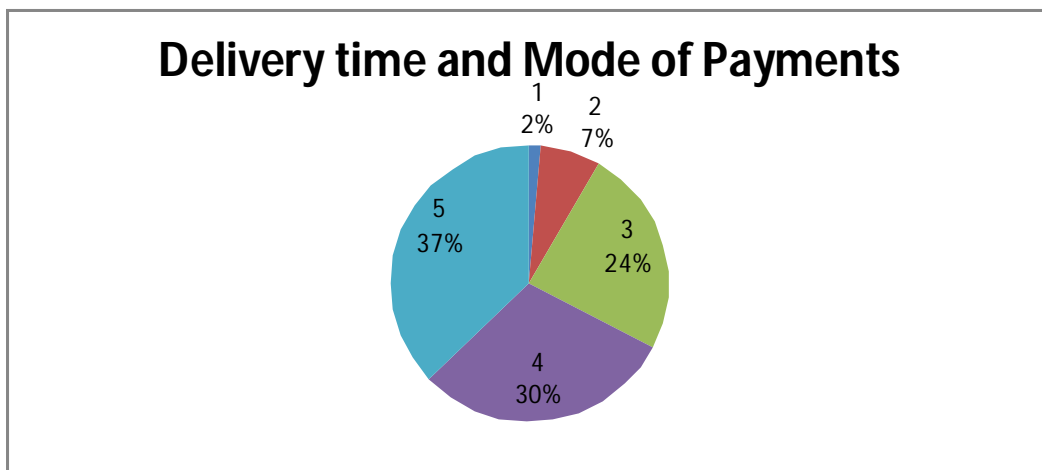


Average Score Respondents: $1 * 11 + 2 * 51 + 3 * 79 + 4 * 102 + 5 * 57 = 1043/300 = 3.47$

Interpretation According to this score, it can be interpreted that attractiveness and discounts are important factor in online shopping.

Table 8 (Graph of Delivery Time and Mode Of Payment)

| Rating | 1 | 2 | 3 | 4 | 5 |
|-------------|---|----|----|----|-----|
| Respondents | 4 | 21 | 73 | 91 | 111 |



Average Score Respondents: $1 * 4 + 2 * 21 + 3 * 73 + 4 * 91 + 5 * 111 = 1184/300 = 3.94$

Interpretation According to this score, it can be interpreted that delivery time and mode of payments are important factor in online shopping.

Table 9 (Satisfaction level for your experience of online shopping and its graph)

| Rating | 1 | 2 | 3 | 4 | 5 |
|-------------|---|----|----|----|-----|
| Respondents | 1 | 19 | 76 | 81 | 123 |



Average Score Respondents: $1 * 1 + 2 * 19 + 3 * 76 + 4 * 81 + 5 * 123 = 1206 / 300 = 4.02$

Interpretation According to this score, it can be interpreted that satisfaction level in online shopping is an important factor

CONCLUSION

Challenges in online retail market

Lack of touch-and-feel a mental barrier for online shopping.

Most Indian consumers prefer to sample a product before making a purchase. This applies across categories such as clothing, shoes, perfumes and accessories. Lack of touch-and-feel in online shopping could lead to issues such as wrong product sizes (in shoes and clothing). This creates a mental barrier for consumers to shop online

Increased competition with the entry of global players

The growth potential of the online retail segment in India is attracting leading international players. The entry of international players would increase competition in the segment. The advanced technology capabilities of global players in areas such as customer analytics and recommendation engines would pose a challenge for local companies.

International players have larger financial resources than their Indian counterparts. This enables them to bear losses and restrict supplies to their competitors by buying out supplier from vendors. This could drive out smaller domestic players from the market.

SUGGESTIONS:

Online retail is expected to grow at a rapid pace in India in coming years. While pure-play players are expected to benefit from the fruits of this growth, brick-and-mortar retail companies face the challenge of deciding on the right business model with respect to the implementation of an online sales channel. Staying off the online medium may imply losing sales to online retail players. They need to ponder on the following key aspects while deciding their strategy:

How to enter the online space: through acquisitions, joint ventures or the organic route

Partnerships with other online retail players

Presence in the offline and online space may present challenges related to:

Pricing decisions on the same product sold via two channels

Customer segmentation to ensure that customers are targeted through the preferred channel

We also suggest the following for better prospects of online- marketing.

1. Consumers should be educated on online shopping procedures with proper steps to be following while online shopping.
2. Transactions should be safe and proper security should be assured to the people making online purchases.

3. Government should play a pivotal role in encouraging online shopping
4. E-marketers must give a thought to secure, time saving, information about product and services factors when they design their online product strategy.
5. The study highlights that convenience, accessibility, scope, attraction, reliability, experience and clarity are the important factors considered by the online shopper.
6. Usage of internet includes the consumer's purchase of product as well as the consumer intention to secure for product related information while experiencing the new technology.
7. Banking should promote Debit card, Credit card facility in online shopping

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NUTRITIONAL STATUS OF RURAL ADOLESCENT GIRLS

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ABSTRACT

Adolescence is the process of development from childhood to maturity and adulthood. The present investigation was undertaken to study the nutritional status of rural adolescent girls by using dietary survey and anthropometric measurements. Results indicated that the intakes of all the nutrients were significantly (at 1% level) below the RDA in all age groups of adolescent girls. The studied adolescent girls of all the age groups were lighter than their American counterparts (NCHS) and Indian counterparts. A significant difference (at 1% level) was observed between heights of studied adolescent girls of all age groups and NCHS standards. But non significant difference was found between the heights of studied samples of +14 yrs and +15 yrs age and Indian standards while a significant difference (at 1% level) was observed in heights of +16 yrs aged studied girls and Indian standards.

Key words: Adolescent girls, Nutritional status, rural, Anthropometric measurements, Nutrient intake

INTRODUCTION

Adolescence is the process of development from childhood to maturity and adulthood. It has been defined as period between 10 to 18 years (NIPCCD, 1989). Currently it is estimated that there are about 69.7 million adolescent girls constituting about 7 percent of the total population (Venkaiah K. et.al, 2002). Adolescence is period of increased nutritional needs. Nutritional deficiencies in adolescence are consequences of improper supply of nutrients. Growth of adolescents can be assessed by anthropometric measurements. Anthropometry is influenced by nutrition particularly in the rapidly growing period of adolescence. Selected body measurements can therefore give valuable information concerning certain types of malnutrition (Jelliffe, 1966). Adolescence is a time when the body prepares itself for the nutritional demands of pregnancy, lactation and heavy workloads that girls will soon experience (Prashant and Shaw, 2009). So studying nutritional status of adolescent girls could be important step towards preventing the malnutrition in them. Hence the present investigation was undertaken to study the nutritional status of rural adolescent girls by using dietary survey and anthropometric measurements.

METHODOLOGY

The present study was conducted to assess nutritional status of rural adolescent girls. The study was also intended to focus on the growth of adolescent girls through anthropometric measurements. The methods used for collecting data are as follows.

Selection of samples: The sample of the study comprised of school going girls who were attending the higher secondary school. The sample consists of 189 adolescent girls aged between +14 to +16 years. The study samples were collected from the School of Akulj grampanchayat of Solapur district.

Socio-economic information: Socio-economic background of selected adolescent girls was assessed by personally interviewing the subjects using questionnaire. Information on age, economical status, educational level, occupation of parents etc. was recorded.

Anthropometric measurements: The anthropometric measurements of subjects were recorded by using standard procedures (Jelliffe, 1966). Measurements included were weights and heights. Body weights of adolescent girls were measured to the nearest 0.1 kg with the help of portable weighing machine. Adolescent girls were weighed without shoes and with minimum clothing. Heights of subjects were measured to the nearest 0.1 cm by non-stretchable measuring tape. The subject was asked to stand straight as possible on a flat floor without shoes. The mean values of anthropometric measurements were compared with the standard. For the purpose of comparison, NCHS reference values for height and weight (NCHS, 1987) were used to assess under nutrition and the extent of stunting. Indian reference values used for comparison are the data on well to do Indian children presented by Vijayaraghavan et.al. (1971).

Diet survey: The diet survey was conducted to collect information on general dietary pattern and dietary history by using 24 hour recall method to calculate food and nutrient intake. Adolescent girls selected for diet survey were interviewed by using questionnaire schedule to record data regarding their dietary habits, frequency of

consumption of different food groups in a day. The dietary intake of subjects was assessed by 24 hour recall method. The cooked food consumed per day was converted into raw weights of food materials by using standardized sets of utensils. The nutrient intake per day was calculated based upon the raw food intake using food composition tables (Gopalan et al., 2000). The intakes of nutrients were compared with the recommended dietary allowances (RDA) for Indians (Expert Group of ICMR, 1990).

Statistical analysis: Statistical analysis of collected data was carried out after consolidation and computation to interpret the results and conclusions from the present study. The statistical significance between different parameters was determined by applying 'z' test /'t' test (Kothari, 2004).

RESULTS

The socio economic information of selected adolescent girls is shown in Table 1. The percentages for +14 yrs, +15 yrs and +16 yrs aged adolescent girls were 10.05 percent 48.67 percent and 41.26 percent respectively. The monthly family income of majority (43.91%) of adolescent girls was ranged between Rs. 5000-10000. The monthly income more than 10000 was found in 26.45 percent adolescent girls. Majority (65.60%) of adolescent girls were from nuclear family. The percentage of subjects living in joint families was 29.62 percent. The educational status of the parents revealed that about 16.4 percent of fathers and 19.57 percent of mothers of studied subjects were illiterate. Majority of mother (60.31%) and father (35.44%) had completed their education up to high school level. The occupation of 31.74 percent fathers was service.

Table1. Socio-economic background of the selected rural adolescent girls

| Socio-economic factors | Percentage of adolescent girls (N=189) |
|------------------------------|--|
| Age (yrs) | |
| +14 | 10.05 |
| +15 | 48.67 |
| +16 | 41.26 |
| Income (Rs.) | |
| < 5000 | 29.62 |
| 5000-10000 | 43.91 |
| >10000 | 26.45 |
| Type of family | |
| Joint | 29.62 |
| Nuclear | 65.60 |
| Extended | 4.76 |
| No. of family members | |
| 2-4 | 31.21 |
| 5-7 | 48.14 |
| > 8 | 20.63 |
| Fathers' education | |
| Primary | 4.76 |
| High school | 35.44 |

| | |
|----------------------------|-------|
| Higher secondary | 20.10 |
| Graduation | 23.28 |
| Illiterate | 16.4 |
| Mothers' education | |
| Primary | 4.23 |
| High school | 60.31 |
| Higher secondary | 10.58 |
| Graduation | 5.29 |
| Illiterate | 19.57 |
| Fathers' occupation | |
| Service | 31.74 |
| Business | 22.22 |
| Farming | 23.8 |
| Laborer | 15.34 |
| No | 6.87 |

Information regarding food consumption pattern of selected adolescent girls is presented in Table 2. Results indicated that the percentages for vegetarian (49.73%) and non vegetarian (50.26%) were at par. Three meal pattern was prevalent among the 71.95 percent adolescent girls while two and four meal pattern were reported by 17.98 and 10.05 percent subjects respectively. Wheat was commonly consumed cereals per day by 29.62 percent adolescent girls. In case of pulses red gram dal was commonly used by majority (29.62%) of adolescent girls followed by moth bean dal (21.69%). Tea was the daily beverage consumed by majority (62.43%) of the adolescent girls followed by milk (19.57%) while 4.23 percent adolescent girls were not consuming any type of beverage. With regards to frequency of consuming these beverages were found nearly similar for once (46.56%) and twice (47.08%) consumption per day. Very few adolescent girls (1.05%) were consuming beverages thrice a day. Majority (58.20%) of the subject were drinking 6-10 glasses of water per day. Consumption pattern of vegetables and fruits revealed that majority (44.97%) of studied subjects were including leafy vegetables twice a week followed by 35.44 percent using it daily. Daily consumption of other vegetables was reported by 42.85 percent adolescent girls followed by 28.04 percent including twice a week. Fruits were consumed daily by the majority (37.56%) of adolescent girls followed by 28.57 percent consuming it occasionally.

Table 2. Food consumption pattern of the selected rural adolescent girls

| Dietary pattern | Percentage of adolescent girls (N=189) |
|--------------------------|---|
| Type of diet | |
| Vegetarian | 49.73 |
| Non vegetarian | 50.26 |
| Frequency of meal | |
| Two | 17.98 |
| Three | 71.95 |
| Four | 10.05 |

| | |
|--|-------|
| Types of cereals | |
| Wheat | 29.62 |
| Wheat+Jowar+Rice | 25.39 |
| Wheat+Rice | 29.10 |
| Wheat+Jowar | 14.81 |
| Jowar+Rice | 1.05 |
| Types of pulses | |
| Moth bean dal | 21.69 |
| Red gram dal | 29.62 |
| Green gram dal | 12.16 |
| Bengal gram dal | 1.58 |
| Bengal gram dal+ Moth bean dal | 8.99 |
| Red gram dal+Green gram dal | 8.46 |
| Bengal gram dal+ Black gram dal | 3.70 |
| Red gram dal+Green gram dal | 13.75 |
| Consumption of leafy vegetables | |
| Daily | 35.44 |
| Weekly | 11.64 |
| Twice in week | 44.97 |
| Occasionally | 7.40 |
| No | 0.52 |
| Consumption of other vegetables | |
| Daily | 42.85 |
| Weekly | 12.16 |
| Twice in week | 28.04 |
| Occasionally | 15.87 |
| No | 1.05 |
| Consumption of fruits | |
| Daily | 37.56 |
| Weekly | 14.81 |
| Twice in week | 14.28 |

| | |
|---|-------|
| Occasionally | 28.57 |
| No | 4.76 |
| Amount of drinking water (Glasses) | |
| < 6 | 32.8 |
| 6-10 | 58.20 |
| > 10 | 8.99 |

Table 3 shows data regarding prevalence of fasting practices and skipping meals. The prevalence of fasting practices was observed in majority (64.55%) of adolescent girls while about 59.25 percent adolescent girls were skipping one of their meals in a day due to some or the other reason.

Table 3. Prevalence of fasting practices and skipping meals among selected adolescent girls

| Parameters | Percentage (N=189) |
|----------------------|--------------------|
| Fasting | |
| Yes | 64.55 |
| No | 35.44 |
| Skipping meal | |
| Yes | 59.25 |
| No | 40.74 |

Table 4 gives the information regarding nutrient intake of studied sample according to age compared with the RDA. The mean intakes of calorie, protein and iron for +14 yrs aged adolescent girls were 1193.18 ± 187.83 kcal, 39.48 ± 11.42 g and 14.71 ± 5.44 mg per day respectively while respective values were 1142.77 ± 230.93 kcal, 29.88 ± 8.97 g and 15.02 ± 4.87 mg in +15 yrs aged adolescent girls. Adolescent girls of +16 yrs age reported daily intake of 1175.30 ± 174.35 kcal, 31.11 ± 8.60 g and 15.31 ± 6.61 mg for calorie, protein and iron respectively. These intakes were compared with the RDA values. The intakes of all the nutrients were significantly (at 1% level) below the RDA in all age groups of adolescent girls. The intakes of nutrients of studied samples in all age groups were about the half of RDA.

Table 4. Nutrient intake of studied adolescent girls according to age compared with the RDA

| Age (yrs) | Energy(kcal) | | 't'/'z' value | Protein(g) | | 't'/'z' value | Iron(mg) | | 't'/'z' value |
|---------------|-------------------------|------|---------------|----------------------|-----|---------------|---------------------|-----|---------------|
| | Studied sample | RDA | | Studied sample | RDA | | Studied sample | RDA | |
| +14 (N=19) | 1193.18 ± 187.83 | 2060 | 20.07** | 39.48 ± 11.42 | 62 | 8.59** | 14.71 ± 5.44 | 28 | 10.62** |
| +15 (N=92) | 1142.77 ± 230.93 | 2060 | 38.09** | 29.88 ± 8.97 | 62 | 34.52** | 15.02 ± 4.87 | 28 | 25.96** |
| +16 (N=78) | 1175.30 ± 174.35 | 2060 | 44.81** | 31.11 ± 8.60 | 60 | 29.78** | 15.31 ± 6.61 | 30 | 19.84** |

** - Significant at 1%

Comparison of weights of selected adolescent girls with NCHS standards and Indian standards is presented in Table 5. Results revealed that mean values of weights for +14 yrs, +15 yrs and +16 yrs aged adolescent girls were 41.94 ± 5.91 kg, 43.08 ± 7.52 kg and 43.04 ± 6.99 kg respectively. The differences between mean values of weight of studied subjects of all the age groups and mean values of weight according to NCHS and Indian standards were significant (at 1% level). The studied adolescent girls of all the age groups were lighter than their American counterparts (NCHS) and Indian counterparts.

Table 5. Mean weights of selected adolescent girls compared with NCHS standards and Indian standards

| Age(yrs) | Mean values of weight(kg) | | | 't'/'z' value | |
|---------------|---------------------------|-----------|-----------------------|---------------|---------|
| | Studied sample A | NCHS B | Indian Standards C | A vs. B | A vs. C |
| +14 (n=19) | 41.94 ± 5.91 | 48.0 | 46.70 | 4.48** | 3.52** |
| +15 (n=92) | 43.08 ± 7.52 | 51.4 | 48.75 | 10.66** | 7.26** |
| +16 (n=78) | 43.04 ± 6.99 | 53.0 | 49.75 | 12.60** | 8.49** |

** - Significant at 1%

Mean values of height of studied adolescent girls compared with the NCHS standards and Indian standards (Table 6) showed that adolescent girls of +14 yrs, +15 yrs and +16 yrs age recorded 155.73 ± 5.55 cm, 155.98 ± 6.13 cm and 154.55 ± 5.34 cm height respectively. A significant difference (at 1% level) was observed between heights of studied adolescent girls of all age groups and NCHS standards. But non significant difference was found between the heights of studied samples of +14 yrs and +15 yrs age and Indian standards while a significant difference (at 1% level) was observed in heights of +16 yrs aged studied girls and Indian standards. The studied adolescent girls of all the age groups were shorter than their American counterparts (NCHS) while studied adolescent girls of +14 yrs and +15 yrs age groups were found approximately normal when compared with the Indian counterparts.

Table 6. Mean heights of selected adolescent girls compared with NCHS standards and Indian standards

| Age(yrs) | Mean values of height(cm) | | | 't'/'z' value | |
|---------------|---------------------------|-----------|-----------------------|---------------|--------------------|
| | Studied sample A | NCHS B | Indian Standards C | A vs. B | A vs. C |
| +14 (n=19) | 155.73 ± 5.55 | 159 | 155.04 | 2.57** | 0.54 ^{NS} |
| +15 (n=92) | 155.98 ± 6.13 | 161 | 155.98 | 7.96** | NS |
| +16 (n=78) | 154.55 ± 5.34 | 162 | 156.00 | 12.41** | 2.41** |

** - Significant at 1% NS – Non significant

DISCUSSION

The assessment of the nutritional status of rural adolescent girls showed that intakes of energy, protein and iron were below the RDA in all the age groups of studied adolescent girls. It was observed that the overall consumption of food was low and percentage for skipping the meals was also high in studied samples. This perhaps resulted in a higher proportion of adolescents consuming inadequate amount of energy, protein and iron. Venkaiah *et.al* (2002) also found that the intakes of all the nutrients were below the RDA in all age groups of adolescents. The results of study conducted by Malkit Nagi *et.al* (1995) showed that the intake energy,

protein, iron, calcium, vitamin A and vitamin C was inadequate by adolescent girls of Ludhiana city as compare to ICMR recommendations..The studied adolescent girls of all the age groups were lighter than their American counterparts (NCHS) and Indian counterparts. In case of height, the studied adolescent girls of all the age groups were found shorter than their American counterparts (NCHS) and they were found approximately normal when compared with the Indian counterparts except for +16 years aged adolescent girls. Similar results were found in studies conducted by Venkaiah *et.al* (2002), and Prashant K. and Chandan Shaw (2009). Deshmukh *et.al.*(2006) , Sweta Sing *et. al.*(2012) and Kalhan M. *et.al.*(2009) observed high percent of adolescent girls were undernourished

A significant proportion of the rural adolescent girls are at risk due to inadequate nutrient intake resulting in short stature and underweight. Therefore there is need to develop strategies to improve nutritional status of adolescent girls from the rural area to achieve their maximum growth potentials. This calls for improving nutrition knowledge and health status through the nutrition education. There is need to increase the awareness regarding nutrition among the rural families.

CONCLUSION

It is concluded that there is a high prevalence of under nutrition among rural adolescent girls. Awareness regarding health and nutrition through education and nutrition interventions are needed on priority basis.

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ECO-TOURISM AS A SOURCE OF RURAL EMPLOYMENT
(With Special Reference to Dibru Saikhowa National Park)

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INTRODUCTION

Eco-tourism is nature based tourism. It gives emphasis on tourism in an eco-friendly manner. The international Eco-tourism Society defines eco-tourism as “responsible travel to natural areas that conserves the environment and improves the well being of local people. Eco-tourism movement has grown since 1970’s and increased its popularity in 2002 during the UNs “International Year of Eco-tourism”. Eco-tourism is the largest growing sector with an estimated annual growth rate of 10-15 percent. Eco-tourism minimizes the adverse impact on environment, promote local employment and generate income, and conserve local culture and tradition. Eco-tourism is developed around the idea of travelling to places of natural beauty, moving around and staying with the places of nature for a couple of days. It has the twin objectives of conserving environment and improving the welfare of the local people. Countries like Kenya, Costa Rica, South Africa have already successfully promoted eco-tourism. Kerala presents a unique success story of eco-tourism in our country(sdr, assam). On this similar line, Assam has immense scope for eco-tourism, as its natural scenario and climatic condition resemble those in Kerala. The state is virtually free from industrial pollution. Its green forests, blue hills, enchanting rivers are the basis on which an eco-friendly tourism can be developed. For that a host of matters to be properly addressed, including: (a) development of good approach road to the spots of tourist attraction, (b) creation of infra-structural facilities like good quality tents with provisions for food and other logistics, (c) river cruising and water sports, bird watching towers etc. These facilities are likely to attract eco-tourists. It may be noted that eco-tourism is yet to come to the take-off stage.

TOURISM AND ITS ECONOMIC IMPORTANCE

In India, tourism is emerging as a key sector in the economy. It is presently India’s third largest foreign exchange earner after garments, and gems and jewellery. The foreign exchange earnings from tourism during 1997–98 has been estimated to be about Rs.11264 crores (US \$3173 million). The rate of growth in foreign exchange earnings from tourism is exceptionally high. The most significant feature of the tourism industry is its capacity to generate large-scale employment opportunities, particularly in remote and underdeveloped areas. It offers enormous potential for utilizing natural resources like landscapes, mountains, beaches, rivers etc. for the economic benefit of the population. It also adds value to a multitude of human-made attractions such as monuments, palaces, forts and the unique rural and city environments. A special feature of the tourism industry is that it employs a large number of women and young people in hotels, airline services, travel agencies, making handicrafts, undertaking cultural activities, and other tourism-related tasks. The direct employment in the sector during 1995–96 was about 8.5 million persons, accounting for about 2.4% of the total labor force. Estimates of indirect employment show that in total about 22 million persons derive their livelihood from tourism. Different forecasts of direct employment in the sector have been made, however, they underline the fact that tourism is growing to become an important economic activity. It is estimated that one new job is created in tourism every 2.4 seconds.

The following table shows the number of foreign tourist arrival in India from 1997 to 2013

Table: 1 Foreign Tourist Arrival in India

| Year | Number of tourists (in millions) |
|---------------|---|
| 1997 | 2.37 |
| 2000 | 2.65 |
| 2003 | 2.73 |
| 2006 | 4.45 |
| 2009 | 5.17 |
| 2010 | 5.78 |
| 2011 | 6.31 |
| 2012 | 6.58 |
| 2013(Jan-Jun) | 3.31 |

Source: Ministry of Tourism, GOI

The table shows that the inflow of foreign tourist has gradually increased from 2.37 million in 1997 to 6.58 million in 2012. Similarly we can see a hike in foreign exchange earnings from tourism during the same period from the following table.

Table: 2 Foreign Exchange Earnings from the Tourist (1997-2013)

| Year | FOREX(US \$ million) |
|---------------|----------------------|
| 1997 | 2889 |
| 2000 | 3460 |
| 2003 | 4463 |
| 2006 | 8634 |
| 2009 | 11136 |
| 2010 | 14193 |
| 2011 | 16564 |
| 2012 | 17737 |
| 2013(Jan-Jun) | 9201 |

Source : Ministry of Tourism, GOI.

The following table shows the tourism scenerio in Assam.

Table 3: Tourist Inflow to Assam 1995-2000

| Year | Indian | Foreign |
|------|-----------|---------|
| 1995 | 348,532 | 2,575 |
| 1996 | 327,260 | 5,885 |
| 1997 | 842,656 | 4,194 |
| 1998 | 939,721 | 3,843 |
| 1999 | 964,939 | 5,218 |
| 2000 | 1,001,577 | 5,959 |

Source: Directorate of Tourism, Assam

Table 4: Revenue Earned from Tourists (Rs '000)

| Year | Indian | Foreign | Total |
|-----------|--------|---------|-------|
| 1996-97 | 3,688 | NA | 3,688 |
| 1997-98 | 2,743 | 1,972 | 4,715 |
| 1998-99 | 3,105 | 1,979 | 5,084 |
| 1999-2000 | 3,172 | 3,226 | 6,398 |

Source: Directorate of Tourism, Assam

AREA OF STUDY

Dibru Saikhowa is a National Park as well as a Biosphere Reserve having an area of 340 sq. kms. in Tinsukia district. In the park, 36 species of mammals have so far been recorded - Tiger, Elephant, Leopard, Jungle Cat, Bears, Small Indian Civet, Squirrels, Gangetic Dolphin, Slow Loris, Assamese Macaque, Rhesus Macaque, Capped Langur, Hoolock Gibbon, Wild Pigs, Sambar, Barking Deer, Water Buffalo, Feral Horses etc. It is an identified Important Bird Area (IBA) having more than 382 species of Birds, some of which are Greater Adjutant Stork, Lesser Adjutant Stork, Greater Crested Grebe, Large Cormorant, Open bill Stork, Black necked Stork, Large Whistling Teal, Grey leg Goose, Grey-headed Fishing Eagle, Griffon Vulture, Osprey, Crested Serpent Eagle, Spot Billed Pelican, White Winged Wood Duck, Baer's Pochard, Greater Spotted Eagle, Pale Capped Pigeon, Great Pied Hornbill, Marsh Babbler, Jerdon's Babbler, Black Breasted Parrot bill, etc. The Park is renowned for natural regeneration of Salix trees.

The Park can be visited by staying at Tinsukia town. Mohanbari (Dibrugarh) Airport is the nearest Airport, which is about 40 kms. away from Tinsukia. The distance between Guwahati and Tinsukia is 500 kms. Tinsukia is well connected with Dibrugarh town by NH. 37 and the distance is 55 kms. Dholla is the nearest township of Saikhowaghat entry point.

OBJECTIVE OF THE STUDY

The main objective of the study is to analyse the employment opportunity created in Dibru Saikhowa national park as a result of tourism.

DATA & METHODOLOGY

Both primary and secondary datas are used for the study. For primary data telephonic interview method is applied. Direct personal interview of selected persons are taken for the study. For secondary data various news papers, journals books, internet etc are consulted.

RESULTS AND FINDINGS

Considering the fact that tourism in this part of the country is still at the nascent stage and also keeping in mind the fragile environmental and cultural heritage that needs to be preserved, perhaps adopting ECO tourism model would be a more viable option for ensuring sustainable development of tourism and also for generation of the much needed employment and livelihood of the local folks. Eco tourism as a concept essentially implies that tourism destinations are developed with minimal external interventions and by maximizing use of the local resources. These include building materials for construction of tourist lodges, development of human resource and finally ensuring that all activities are carried out in a manner which has the least possible adverse impact on environment (Jalan)

The rank of Dibru Saikhowa National Park in the world is 19th in term of bio-diversity. It is one of the important eco-tourism destination in upper Assam in terms of conservation of nature. Dibru Saikhowa National Park attracts tourists both from India and abroad.

. The main attraction of The park is

1. Dolphin Tourism
2. Bird Watching
3. Kakojari or Salix Tree
4. Feral Horse

Lots of people both locals and foreigners used to come to see the large sized banyan tree(kakojari). One may experience the taste of hand boating in the small river channels. Gangatic river dolphin is the main attraction of the park. A house boat service has been initiating in the river with all the facilities of any standard hotel. This boat is meant for dolphin tourism. Interested tourists can explore the river Brahmaputra from sadiya to dhubri by sailing through the boat. The forest is also suitable for tracking. According to the local source, tourists have visited mainly for the purpose of Bird Watching. Again the diverse culture of the communities, food habit and living style may also boost the tourism sector. According to official figures, on an average, the park, famous for bird-watchers and feral horses, hosts tourists between 1,800 and 2,000 each year. The following table shows the number of tourists visited the park during 2009 to 2012.

Table 5: Tourist Inflow of Dibru Saikhowa National Park

| Year | No of Tourist |
|-------------|----------------------|
| 2009-10 | 2675 |
| 2010-11 | na |
| 2011-12 | 3956 |

Source: Deptt of Tourism, Tinsukia District.

From the table it is seen that the number has been increasing over time, but still it is not satisfactory. Poor infrastructure, lack of publicity etc are the root cause of the small number tourist inflow to the park. However along with increased tourist potentiality, various tourism related employment opportunity has been created in the area. Moreover it is also a best preserver of local culture and tradition. The tourists can stay at the eco-camp of Guijan entry point of Dibru Saikhowa and can have the taste of local and ethnic culture.

As an eco tourism destination, Dibru Saikhowa has been creating local employment to some extent. With the increased flow of both domestic and international tourists, the demand for accommodation and food has been increased. The tourists generally preferred to stay in the eco camp and like to taste ethnic dishes. The Eco Camp Banashree, kahuwa, Dibru Saikhowa jungle camp etc are ever ready to welcome guest and provide the best service ever. Almost 25-30 youths are engaged in such type of hotel industry and generate income.

Similarly eight local people are engaged in gainful employment in the OM houseboat of Dibru Saikhowa. Almost 25-30 local youths are engaged as professional tourist guides. Dibru Saikhowa festival is organized every year in January. Along with it trade fair is also held where many local self help groups participate. This ethnic festival preserves the local culture, exhibit local cuisine, hand ircraft and handloom products.

CONCLUSION

Tourism has generated employment in different parts of the country. Besides creating opportunities for tourist guides, conducted tours, establishment of hotels, and so many other avenues in the tertiary sector, tourism can be a major source of employment in Assam. It is argued that every domestic tourist can generate direct and indirect employment of three persons, and this can be higher (seven) in the case of inflow of every foreign tourist. It is also projected that every one million rupees invested in tourism, 47.9 direct jobs can be created, besides, of course, creating more avenues for indirect employment (SDR Assam). Dibru Saikhowa national park as an eco tourism destination has immense opportunity and prospect. If tourism can be established properly in Dibru -Saikhowa, no doubt it will work for employment generation, poverty reduction as well as conservation of vast resources of the area. To make the park as an attractive destination of tourist in a professional way the following measures have to be taken in the near future.

1. Infrastructure facilities including transport, communication, accommodation facilities etc should be improved .
2. Security of the tourists should be ensured
3. Publicity about the area is needed so that it can attract more people
4. Tourism is known as a ‘hospitality service’ and it should ensure all possible facilities (Suvidha) to the tourists, who are to be treated as honoured guests.
5. Training programme for the tourists guides should be introduced and take initiative to make the occupation as an attractive one.

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BUSINESS STRATEGY OF JAIPUR RUGS (PVT.) LTD.

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ABSTRACT

Business Strategy is a wider term and it differs with the objective of the organisation. It focuses on competitive positioning (where to compete and how) in order to create an advantage over competitors and to develop strategic planning according to set objectives . Business managers should run the business in a manner that is in alignment with overall corporate strategy and business standards. The framework for building a business strategy includes developing the mission of the business, re-conducting an environmental scan and examining the key activities of the value chain and business process. Jaipur Rugs has touched the social aspect of business model and is on its way to create wonders for those who have been neglected by the business class , by linking the grassroots to the most elite and luxurious icons of the world. The Jaipur Rugs Company Private Limited and its social arm, Jaipur Rugs Foundation, work on a unique business model that talks about CSR, which has enabled and is in continuous process of enabling poor artisans and weavers to become entrepreneurs. The model is so successful that even the great business strategy professor and Guru Dr.C.K Prahalad has specially mentioned this company in his best-selling book, Fortune at the Bottom of Pyramid.

Keywords: *Business Strategy, Business model, Bottom of Pyramid, CSR, Jaipur Rugs.*

INTRODUCTION

The definition of business strategy is a long term plan of action designed to achieve a particular goal or set of goals or objectives. Strategy is a game plan for improving the performance of the organisation which helps in achieving the desired goal fixed by the management.

It states the guidelines for conducting the desired activities and teaches how business should be conducted to achieve the desired goals. Without having a strategy management cannot achieve the organisational goals. Creating a business strategy is a core management function. It is rightly said that having a good strategy and executing it well, does not guarantee success. Organisations can face adverse conditions and unforeseen circumstances without doing anything wrong.

BUSINESS STRATEGY: THE THREE GENERIC STRATEGIES

A business strategy can be understood by understanding three generic strategies discovered by the Harvard professor Michael Porter. The three Business strategies are cost leadership, differentiation, and focus.

COST LEADERSHIP STRATEGY

Cost Leadership Strategy is adopted where "a firm sets out to become the low-cost producer in its industry." This strategy focuses on setting up a goal to produce or to make a service available for a lower operating cost than the competitors. This enables the firm to sell goods or services at the same selling price as the competitors and guides in getting the larger profit margin. Also, the firm could negotiate with the selling price for giving a tough competition to the other players and still make a profit. The emphasis is not on low selling prices but more on lower costs. "Cost leadership requires aggressive outlook of efficient-scale facilities, strong pursuit of cost reductions from experience, tight cost and control of various overheads, avoidance of marginal customer accounts, and minimization of overhead costs in areas like R&D and business development"

Porter further states that this strategy "requires that a firm the cost leader, not one of several firms targeting for this position." The only way this strategy pay dividends is if the firm is the best in the industry. This is because the firm that is aggressive and have strong fundamentals which can take the risk i.e cost reduction, can at any time reduce its selling price down below the other firms' operating cost. The number one firm can still make a marginal profit (slightly lesser) while forcing the other firms to reduce selling price and take a loss or keep the selling price higher which will automatically give an edge in the respective industry. This is an additional advantage to the lowest operating cost firm.

DIFFERENTIATION STRATEGY

The second generic business strategy is differentiation: being different than every other firm. Porter states this is an "emphasis on branding, advertising, design, service, quality, reengineering, redesign and new product development." The firm adopting this strategy seeks to be unique in the industry and focuses on designing of unique product to outpace the others. This uniqueness must be a feature which enforce or motivate customers to pay a premium price. This differentiation does not sound unfamiliar. It can be as simple as the best customer service and more customer friendly with its uniqueness in the whole industry. Differentiation can also be speed in filling orders. The point of differentiation or uniqueness only has to be something that pulls the customers to buy and pay a larger selling price than that of the cost leader.

Differentiation can lead to higher profitability. However, it does not affect the market share. As Porter suggests, differentiation develops a perception of exclusivity and uniqueness which is incompatible with a high market share. Thus, a firm with a differentiation strategy can increase their profit by focussing on customer loyalty instead of making efforts to create a large market share.

FOCUS STRATEGY

The focus strategy emphasis upon a particular niche and ignores most of a product or service market to serve in. The niche could be "a selected buyer group, geographic market or segment of the product line." For example in the automobile industry there are companies that manufactures selling vehicles for disabled people with a speciality. These firms do not compete others i.e dealerships in the open market because these firms have a special vehicle the dealerships do not carry in inventory. The focus is to serve a particular niche of the society by targeting a very special group of customers.

As with the differentiation strategy, this also implies market share will be limited. Porter states, "Focus necessarily involves a trade-off between profitability and sales volume." However, if a firm adopts the focus strategy, the firm must ensure the market segment that is going to be served will be absolutely different than the main market. If the segment or target group is not different, then the focus strategy will not succeed.

JAIPUR RUGS: AN ORGANISATION WITH INNOVATIVE IDEAS

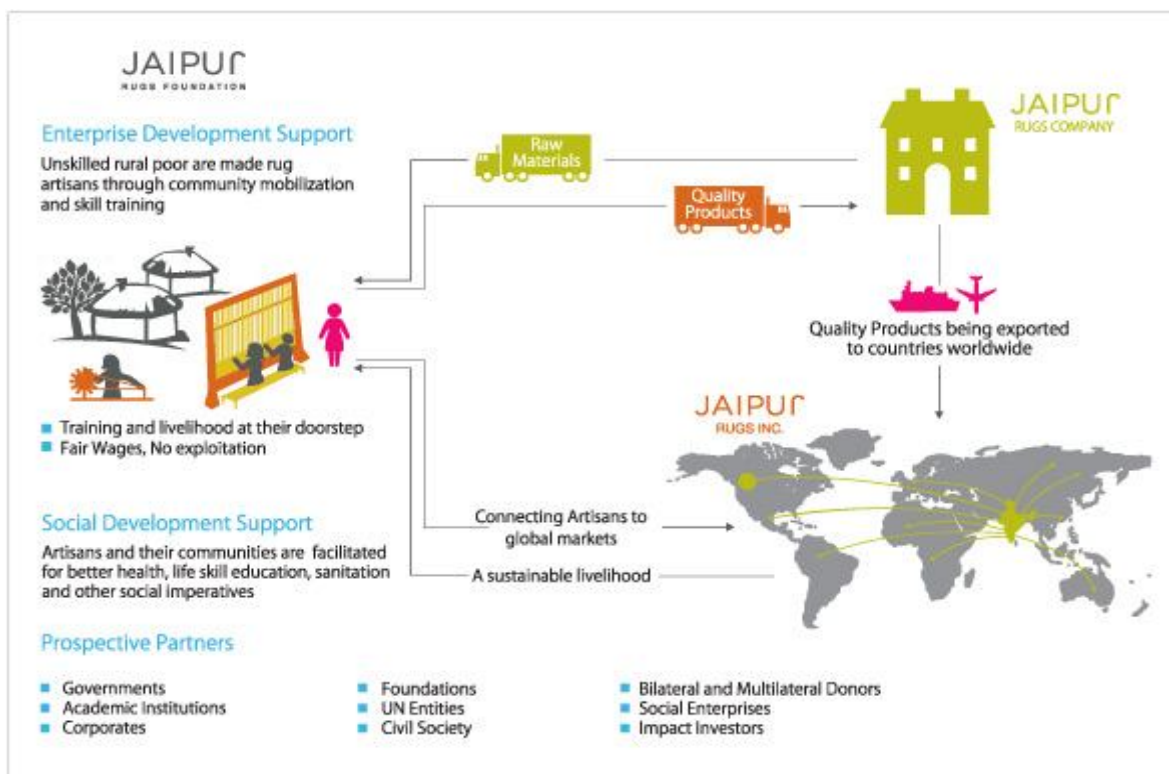
History

Jaipur Rugs case explores how a business or a company can be established by connecting poor with global markets by building a global supply chain on a massive scale—one focused on developing human capability and skills at the grassroots level, providing steady incomes and employment opportunities for rural men and women in the most depressed parts of India and connecting them with markets of the rich and elite class, such as the United States. Thousands of independent workers have been trained and are made organized to produce a very high quality product consistently. The company not only uses traditional weavers but also trains, in remarkably short duration, the art of weaving to people who do not have a tradition of rugs weaving and company has also provided raw material to those weavers who know the art of weaving but they doesn't have the resources to manufacture, in this way company has helped many weavers to become entrepreneurs and they are successfully running their own enterprises now. Raw materials are sourced from different parts of the world, further processed into rugs with traditional and attractive designs in rural India while developing and maintaining quality control of end products. Jaipur Rugs presents a unique and dynamic example of how planned efforts can develop a profitable commercial connection between the poor and the rich—across the world.

Nand Kishore (N.K.) Chaudhary brought up in a small town in Rajasthan, a state in northwestern India. After completing his graduation from the University of Rajasthan, Chaudhary started his career in his family's shoe shop. However, he wanted to do something on his own, and heard that high quality rug weaving was in demand. He bought two looms and installed them in his home, and fell in love with the weaving business. He quickly learned the technical aspects of weaving from local weavers and expanded his business, adding six more looms in his house, and then more looms in six nearby villages. Chaudhary's entrepreneurial drive ultimately led him to Jaipur, the capital of Rajasthan, to pursue a career in the rug export business. Chaudhary and his brother started exporting rugs in 1986. Both brothers remained in the rug industry but split up their business interests in 1999, and after several company name changes, Chaudhary registered his export company under the name of Jaipur Rugs in 2006. By 2008, Jaipur Rugs became the largest exporter and manufacturer of Indian hand knotted rugs with the fiscal year revenue of USD \$21.1 M. It was a profitable and fast growing company with a compound annual growth rate of 38 percent from 2005-08.

HONORS

- Social Impact Award 2012
- Karmaveer Puraskaar 2012
- Business Gaurav SME Awards 2012
- State Award for Export Excellence 2012
- Creativity and Innovation Award 2011
- Villgro Social Enterprise Award 2011
- India Pride Award 2011
- Limca-Book Of Records National Record 2011
- Ernst & Young Entrepreneur of the Year Award 2010
- Distinguished Entrepreneurship Award 2010
- India’s Highest Exporter for Hand Knotted Goods 2010
- American Graphic Design Award 2010 & 2009
- Award of Excellence Floor Covering 2010 & 2009
- Sankalp 2010 Social Enterprise Award 2010
- Corporate Social Responsibility Award 2010
- Indian Achievers Award 2010
- Best SME for CSR 2009
- Star Export House 2009



THE ECOSYSTEM OF JAIPUR RUGS

The overall operation of Jaipur Rugs is divided into four different business and social entities: Jaipur Rugs Company, Jaipur Rugs Incorporated, Bhoomika Wools, and Jaipur Rugs Foundation. All entities are held accountable by a member of Chaudhary's immediate family. The coordination of activities across multiple legal entities gives Jaipur Rugs:

- A. Access, but not ownership, to specific skills
- B. Influence, but not control, over key processes
- C. Decentralization of investment

Jaipur Rugs Company (JRC) - JRC handles all the operations from raw material procurement to final sale for every market except the United States. JRC is run by N.K. Chaudhary (CEO) and his eldest son, Yogesh (Director). In addition to the JRC headquarters in Jaipur and a showroom for final products in International Home Deco Park (IHDP) in Delhi, there are 22 branch offices throughout northern and western India.

Jaipur Rugs, Incorporated (JRI) - JRI, headquartered in Atlanta, Georgia, manages and conducts distribution, marketing and sales for the United States. JRI is run by Chaudhary's two eldest daughters – CEO Asha Chaudhary, and COO Archana Chaudhary. As of July, 2008, the company employed 17 people, mostly in sales positions.

Bhoomika Wools - Bhoomika Wools facilitates the wool acquisition process solely for Jaipur Rugs. Bhoomika Wools is run by Chaudhary's brother-in-law, Navratan Saraf.

Jaipur Rugs Foundation (JRF) - Jaipur Rugs Foundation is a non-profit organization established in 2004 to encourage grassroots mobilization of weavers and to improve the welfare of the company's weavers and their families. In 2008, the Foundation was run by Chaudhary, with five employees based in the Jaipur Rugs headquarters and twelve field employees working with the communities where Jaipur Rugs has operations. (2)

BUSINESS STRATEGY: Jaipur Rugs has established its business on the basis of core social values and develop its business on social entrepreneurship model. Through this, they have touched thousands of rural people who have been ignored by the other corporate entities and a platform has been provided to them to start their own businesses and enterprise. Nand Kishor Chaudhary developed a new business model by going out to the villages, contacting the weavers directly and providing them with company-owned looms and eliminating all the middlemen.

Social Entrepreneurship: Social Entrepreneurship identifies all the companies that combine an economic project with a social purpose and / or participatory governance, and for which profit making is not an end in itself but a means to their social project.

PROMOTION OF LEADERSHIP & ENTREPRENEURSHIP

Amongst Jaipur Rugs employees, its network of artisans, and the entrepreneurs who run the enterprises that support the production of the rugs, there are numerous examples of people who moved up the ranks into positions of leadership. Chaudhary believes in rewarding talent and this helps create a culture where people are motivated to work hard and be successful.

Examples of Upward Mobility

- In 2008, the top 20-30 people in the field level of the company were earning Rs15,000 - 30,000 (USD \$325 – USD \$650) per month as quality controllers – 20 years ago they were weavers.

- Mr. Rameshwar, a Branch Manager in Gujarat, has worked for Chaudhary for 20 years. When he started, he was earning Rs 50 per month, as a weaver. He was promoted from weaver, to map reader, to area commander, and finally to branch manager. In 2008, he earned Rs 50,000 (USD \$1,087) per month. He was very happy with the progress he made and was particularly proud of the fact that all three of his children were receiving an education.

- Mr. Babu Singh, a finishing center owner, and Mr. Surendra Kumar Mahawar, an opening center owner started as laborers in the rug industry and worked their way up the ladder to eventually run their own enterprises, employing 150 – 200 people each. Both men were supported by Chaudhary in their efforts to start their own enterprises.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is the continuing commitment and regular efforts by corporates to behave ethically and contribute to economic development while concentrating on the life style of the workforce by improving the quality of life of their families as well as society at large.

CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government , through to CSR is about business giving back to society.

At Jaipur Rugs, the beliefs are very strong at providing better opportunities to all in the Jaipur Rugs family. The Company proudly undertakes initiatives directed towards social economic development of the underprivileged artisans linked with it. Keeping this in mind , Jaipur Rugs Foundation (JRF) ,established in 2004, has been a major step towards corporate social responsibility of Jaipur Rugs.

JRF as a not-for- profit organisation works hard towards eradicating the menace of middlemen exploitation of artisans in the carpet supply chain. It also works on a groundbreaking model of poverty removal that is based on the concept of empowering the grassroots and enhancing their living standard as entrepreneurs. Free from exploitation, such poor artisans are provided a chance to earn fast and develop faster through carpet weaving .This once-in-a-lifetime encouragement through JRF lets them live a dignified living.

IMPACT OF JAIPUR RUGS IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE SOCIETY

Jaipur Rugs appears in C.K. Prahalad's 2009 revised edition of *The Fortune at the Bottom of the Pyramid*. In his analysis, Prahalad highlights Jaipur as an example of how innovative business enterprises can simultaneously utilize and benefit the most impoverished members of society. The social benefits created by Jaipur highlight the concept of "doing well by doing good," which states that companies can be profitable and successful while also acting in a socially responsible way that benefits humankind.

Jaipur has become the premiere rug company in India, vitalizing small villages and providing a stable source of income for villagers. Perhaps most importantly, Jaipur has connected rural India with the consumer markets in the United States and other developed countries, introducing a sustainable stream of demand for handcrafted rugs and ensuring long-term demand for Jaipur's products. Its production system is international in nature—Jaipur Rugs sources its raw materials from all regions of the world, thus supporting economic development in other countries as well as India.

Jaipur Rugs is seeking to revolutionize the rug weaving industry and use the industry as a vehicle for social change. As a company dedicated to empowering artisans and craftspeople, Jaipur Rugs has improved the economic status of thousands of individuals and families in India that would otherwise work in industries with little job security and worse conditions and pay. Unlike in many unskilled jobs, there is the potential for upward mobility for all of Jaipur's artisans. In the book, Prahalad details the career of a branch manager for the company, who had ascended to his current position through the past two decades. The man, who started as a weaver, was extremely proud that his position in Jaipur allowed him to send his children to school. Furthermore, Jaipur attempts to improve the economic status of various other workers along the supply chain, such as villagers who treat raw materials, through local partnerships with NGOs across India. Unlike many other companies, Jaipur takes a vested interest in the well-being of their weavers, utilizing their branch managers and partnerships with NGOs to provide healthcare and education to their workers. Furthermore, these partnerships seek to educate rural areas of the importance of both healthcare and education. A sophisticated training program takes into consideration the backgrounds of the artisans and quickly teaches entire families how to weave. For example, weaving patterns are taught using diagrams and pictures because the majority of weavers are unable to read. Jaipur's training system is capable of reaching thousands of people a year, and the company seeks to have 100,000 weavers by 2015.

From an economic standpoint, the upward mobility of trained artisans has created value by developing business structures in rural India. Through its system of branch managers, area commanders, and weavers, Jaipur has established sophisticated and stable systems of operation that can function independently of each other. This decentralized system is a large reason why the company is able to provide its employees with such stable incomes. The system also gives contractors ownership over their enterprises. Jaipur interacts directly with

weavers to help them obtain their own weaving equipment by partnering with the Indian government to provide loans. Jaipur also works with a group of subcontractors they call entrepreneurs, who provide looms for workers unable to afford their own equipment. The company stresses to its weavers to take the initiative to embrace leadership roles through interactions with high-ranking company employees, who teach the workers the importance of entrepreneurship.

Despite some of the challenges Jaipur Rugs still faces, it is clear that the company is dedicated to acting as a vehicle to promote positive social change. The company has acknowledged all the social costs presented and it is actively seeking to remedy these problems. The level of training, education, and support provided to its artisans truly sets Jaipur Rugs apart in an industry with such a strong history and stereotype of exploitation. Jaipur is a shining example of how companies can assist the so-called bottom of the pyramid in improving living conditions while sustaining long-term profitability and success.

SUGGESTIONS

They should even start concentrating on Indian markets along with exporting products to the United States and the other countries. It will help Jaipur in increasing its access and can get the benefit on the basis of its reputation in the society.

- Jaipur should replicate the remaining 20% of its middlemen channel so that more weavers would be benefited and its motive of developing social entrepreneurship would be strengthened.
- The management should start giving a chance to outside management experts to manage the business in other developed European countries which will help in enhancing its business activities.

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STRATEGIC PLANNING FOR PRODUCTION CAPACITY-CASE STUDY

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The case traces the path taken by an engineering unit beginning as a small alloy steel castings foundry for captive consumption to a multi plant conglomerate of various grades of metallurgical castings .The foundry follows a reactive strategy of demand driven capacity strategies allowing the surges of business cycle to drive strategic decisions. Success at smaller levels evolves in strategy to deviate from established core competence leading to organizational problems .The case examines the dilemmas in planning for capacity levels in a continuously changing business environment.

Key Words: Strategy, capacity planning, synergy productivity management , Joint Venture, Greenfield.

Protection Engineering Corporation (PEC) is a well-integrated, synergized group of engineering companies. With its beginnings in 1976,PEC offered a wide range of critical process equipment, contributing significantly to enhanced industrial efficiency and process safety. The manufacturing units were located at Chennai and at another industrial town inTamilnadu.about 350 KM from Chennai.The latter was considered to be one of the developing towns in the state with efficient rail and road connectivity with the nearest airport barely 70 KM away.

Their products find application in plant safety, fluid control and energy saving . They range from pumps to specialized globe valves, and other high pressure parts.Each product line was produced in different manufacturing facilities,each a business unit by itself ,as joint venture partnerships with globally renowned manufacturers like from US and Europe .

At PEC, there was a clearly articulated emphasis on providing total engineering solutions to clients. The constituent engineering companies operate with decentralized buying and one of the important input raw materials was alloy steel castings. These had to be procured from steel foundries with approvals from quality systems certification agencies .Such foundries were spread far and wide but a notable few were located at towns like Coimbatore and Ranipet in Tamilnadu itself.PEC was buying castings from some of these foundries but supplies were generally erratic. The mix of weight ranges required by PEC was one more problem since casting weights varied from 2 KG to 3000 KG. Foundries were prone to supply the bigger castings first which gave them improved yields and margins –delaying the smaller castings which in turn affected the assembly plans and delivery performance of PEC constituents. Price revisions were often sought by the foundries which was another problem ,about which PEC could have little negotiating capability .Suppliers were the owners of the patterns for castings. These were long lead items which restricted the switching over to other sources. Transport costs limited the ability to develop interested vendors from other states of South India like Andhra Pradesh, Kerala and Karnataka.

Around the period 1998 most of PEC's Joint venture partners overseas in the US were looking at increased sourcing of components and assemblies from India in general and from PEC in particular due to the benefits of outsourcing from a lower labor cost base countries..Critical to this business potential which offered a 20% CAGR opportunity to PEC units was conformance to stringent quality requirements and a minimum 90% on time delivery performance against orders. PEC's top management with years of interaction with JV partners did not see any major issues in this business except sourcing limitations faced with foundries. With over two decades in the JV partnerships, understanding technology and quality requirements was the least of the problems. This was a great chance to really go global because PEC's products from India would now be used in overseas railroads, gas fields and refineries.

Top management at PEC initially deliberated the option of acquiring running foundries at other locations in the state as against setting up a greenfield project. However "cultural synergy" with such ventures was seen as a stumbling block. This would also mean moving away from existing locations considered as the traditional bastions. The management finally decided on setting up an in house foundry and after successfully head hunting for senior professionals from the foundry industry to lead the venture ,one for Marketing and one for Production and Quality. The proposal to set up the foundry was cleared ,to be located in the vicinity of existing PEC ventures. A more automated technological process chosen for the manufacturing in the foundry was slightly better than prevalent conventional processes which were labor oriented.

SELECTION OF CAPACITY

Current demand from PEC companies was estimated to be 120T per month. While the project could be set up in 12 months and another 6 months would elapse for developing products, proving with customers and getting statutory approvals ,KEC team scaled up these captive requirements to 190 T per month assuming a 25% growth in demand every year over the next two years.

Considering scale economies and capacities of important equipment like melting furnaces and heat treatment ,a capacity of 300 T per month or 10T per day was chosen. Foundries use power as a high cost input for melting in the induction furnaces. Containment of power costs required that melting furnaces operate continuously for 15 day periods after which relining of the furnace needs to be taken up due to the erosion caused by high temperature molten metal. Marketing team was directed to look at business from external companies who were not competitors to load the additional capacity being established .One major customer close by was a public sector giant This lone customer had the potential to load the PEC foundry with orders upto 100 T per month. However being an organization with enormous buying strength the customer's prices were not very remunerative and because of the end users quality and warranty requirements were extremely stringent. But bagging orders from this particular public sector customer could drastically improve the utilization in the foundry.

Project Costs were finalized for a capacity of 300 T per month, Capital was not a constraint because PEC units had an impeccable profitability record right from inception and the management had excellent cost control as a stand out feature in their financial systems. With its in-house foundry acting as a reliable supplier of castings—a key raw material for the comprehensive range of products ,PEC was hoping for great years ahead .

By the year 2000,the foundry became operational .Employees gained critical project management skills like achieving time ,quality deadlines within budget. The development team had achieved remarkable progress in getting prototypes approved by the in house and external customers and the unit also received the required statutory approvals. Joint venture partners helped in setting up quality technology appropriate to the critical needs of the end-user..

The complete focus at PEC on adherence to stringent quality specifications, helped in gaining customer confidence quickly .But the concern was regarding capacity utilization and achieving targeted productivity levels. The best achievement in any month was just 200 T (about 65%) and the concerns were-

High attrition levels amongst engineers, supervisors and operators. Foundry environment is extremely harsh – with dust and fumes and high temperatures Most of the employees who joined the PEC foundry were from other parts of the state. Weather conditions in the town were summer like throughout the year as compared to towns elsewhere.

Continuous operation and managing the night shifts was a problem. Traditionally other PEC units were just two shifts a day facilities. Productivity in night shifts was low. Absenteeism was high and pushed up overtime costs. PEC's management was traditionally averse to "overtime".A couple of minor accidents and acts of indiscipline did not go well with PEC management which always had a blemish free Industrial Relations record in the state.

Product mix from customers was varied ,ranging from 2 KG unit weight to 2000 KG. This posed problems in balancing the melting, molding and fettling lines .These capacities seemed to look balanced on the design documents but the same was difficult during operation of the foundry due to unforeseen factors. Queueing of materials in front of equipments was a common sight .

Skill enhancement was a dire need. Executives felt that skill levels of operators needed to be improved. However they felt that not enough time was provided for training because of continuous pressure from the management to achieve higher output and in house customers whose buyers would personally act as expeditors at the foundry thereby disturbing scheduling.

High Skilled Specialists like welders and quality inspectors certified in Non Destructive Testing (NDT) methods were needed .In proximity there was research institute for welding training such people but opportunities in Emirate countries lured most of the skilled people. The airport nearby fast developed into an international airport due to the constant exodus of such skilled welders .

Quality problems with key vendors persisted. There were frequent quality issues in supplies and materials like sand and scrap. Sand had to be sourced from in Kerala which was always disrupted during the monsoon season. Any supplies received during the long spell of rains had moisture ingress. Drying such sand at the foundry led to incurring of huge power costs.

Need for stringent quality inspections at various stages ensured excellent final product quality but curtailed the throughput. On time delivery was dismally low at 45% .This brought the threat of orders being pulled out from constituent companies by JV partners

However overall prospects of export orders for the entire foundry industry looked good and most foundries in India were planning expansions. Due to stringent pollution control norms in US and Europe, foundries in those countries were being closed down and large chunks of requirements were moving to India and China. Opportunities were plenty.

The top management at PEC took a two pronged approach and decided to take the following steps.

A)IMPROVE PRODUCTIVITY AND UTILISATION

Improve capacity utilization of the existing plant which included initiatives like stream lining the supply systems-create a 45 day storage capacity for sand and source for scrap from multiple vendors including imports in containers. While inventory holding costs would increase this would have a direct impact on improving productivity, melting time and power costs. Investments in Sand reclamation plant and developing alternate source at coastal Andhra Pradesh helped to a large extent.

Modify the plant layout and processes and have distinctly separate processing lines and methods for small and medium castings and large castings. Operators were trained in inspection methods and this reduced the 'inspection' blockages earlier faced.

Providing accommodation near the plant for operators ,organizing free health checks, bonus for attendance above 90% and incentives based on production .In plant training programs were initiated including 5S,Kaizen with attractive rewards. Night shift operators were given extra allowance and one of the senior managers by rotation would be present at the plant during the night shift for supervision. Improvement of the working conditions inside the plant by installing dust and fume exhaust systems. Computerised production planning and flow modeling systems were set up to streamline planning and supply chain and reducing product development time from 18 weeks to 6 weeks.

Revised pricing for small castings making it more remunerative to process such castings or else forcing customers to source small castings elsewhere .This ensured a better product mix .TPM activities on critical equipment improved overall equipment effectiveness OEElevels

B)CREATE ADDITIONAL CAPACITY FOR 600 MT BY INSTALLING AN EXTRA PRODUCTION LINE

The focus on productivity warranted additional investments but in the course of a year ,utilization improved to nearly 85% (250T) .Similar productivity levels were seen in the expansion plant. One feature which was taken care was to ensure availability of abundant land for future expansion.

The period subsequent to 2001 saw consistent growth in the foundry's operating levels, a steady utilization of 85% of the design capacity ,and an expanded total capacity of nearly 1800 T per month by the year 2010 by adding three new automated lines making it one of India's large alloy steel foundries. A state of the art machine shop was also added to supply value added machined castings. The period also saw substantial increase in exports to new customers and Fortune 500 companies .However there was no further scope to expand at the existing location and any further capacity creations had to be at new locations or through outsourcing or acquisitions

PEC's US ACQUISITION

In March 2008 PEC acquired an overseas foundry in the US. This transaction was the culmination of a close relationship between PEC and the US unit, which had sourced castings from PEC for many important customers for several years. Faced with shrinking foundry capacity in North America and growing demand for products featuring high quality castings, customers have for some time encouraged both the companies to expand and better integrate their activities.

The US partner was a customer for PEC for many years and had developed a strong interrelationship and respect for the Indian vendor .The culture of seeking excellence in operations was the single most important factor which had appealed to the US Company and when the time came for an acquisition by PEC to announce their global presence ,the US company was more than willing . By this acquisition PEC took over control of units at two locations in North America.

PEC AND AUTOMOTIVE IRON CASTINGS

Buoyed by its success in the Alloy Steel segment and looking at the growth of the automotive industry in India, PEC also acquired a German producer of high-end automotive n castings used in the manufacture of turbo charger housings, in 2009. This, together with a green field project in Chennai for iron alloy castings through a project called PEC Ferro offered major automotive customers a choice of simple and complex iron castings to meet their varied needs.

“The combination of world class steel and iron foundries across three continents places the PEC Group in a pre-eminent position,” said the Managing Director of PEC’s global Metals business. “We now offer 60,000 tons per annum of premium iron alloy casting capacity to our customers around the world.”

With the combined capabilities in iron and steel, company had the technologies for the manufacture of castings for high performance, high temperature applications.

POST SCRIPT:

PEC’s foray into the automotive castings business and executing ambitious plans to create huge capacities for automotive castings did not result in the success which was anticipated. Primary reason was that in the alloy castings business PEC worked with in house customers and known JV partners and highly quality focused customers. Customers in automotive business were extremely price conscious and would expect year on year price reductions. The castings technology was as specialized as alloy steel castings. Most of PEC’s alloy steel buyers would release schedules in advance and forecasting demand was reasonably accurate. Schedules from automotive buyers were subject to frequent changes and a high degree of flexibility was expected from sources. Demand forecasting was very challenging and would go haywire on many occasions leading to excess stocks or shortages .While PEC cherished its strength in the alloy steel foundry business, it realized that automotive castings business was another specialized area and it would take many years before PEC could be a competitive threat to already established groups in South .These factors and the cultural challenges of managing business in a cross border location led to the decision of the group to exit from the automotive castings business in 2011.

CASE QUESTIONS

1. From a strategic perspective, were the right decisions taken by the management of PEC in creating and selecting capacity for the products ?Were they cautious in choosing a small plant of 300 T per month initially and choosing to make expensive capacity additions incrementally ?
 2. Productivity related issues are to be fully understood before taking any decision regarding creation of capacity. How do organizations address this when they are entering into new business areas? .Is it possible for manufacturing or service industries to consistently achieve near 100 percent utilization ?What are the limiting factors?
 - 3.What were the factors which led to PEC’s foray into automotive castings and also a speedy exit from the business in a short span of four years ?
-

GLOBALISATION - TIME TO RETHINK AND PERHAPS REFRAME

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ABSTRACT

*Globalization in the present era is an essential component of growth and development. It is now an acceptable truth that in the present time it is not possible for the countries to remain decoupled. It brought enormous opportunities and scope for advancement with the help of other countries. While at the same time it have several implication and challenges too about which we ought to worry. As a result of Globalization, there lie cut throat competition due to which companies are fighting for survival in teeth of competition. Every company is focusing on quality and cost factors. They cut down labour cost and furthermore go on overusing and exploiting them. There are some organizations that pay well but in return buy employee's soul. There is very stylish statement that talks about 24*7 work time. There should be Paradigm Shift in management style and behaviour towards employees. It is now the need of the hour to bring some changes in the global model of development where the focus should be on the inclusive development not on the competition for taking away the profit only.*

There is an old Maori proverb that says:

*“Patai mai he aha te mea nui o te ao
Ka what kahoki au
He tangata, he tangata, he tangata.”*

Which means-“ask me-what is the most important thing in the world? and I will reply-
It is people, it is people, it is people.”

There is no dispute that people is an important and critical element in an organisation. I am however at a loss when face the following two perceptions:

1. According to Sigmund Freud an individual human being is a bundle of feeling, sentiments and emotions.
2. According to storey people is a rational and strategic element like any other economic factor in an organisation contributing to the r.o.i. and r.o.c.

When I take a journey through the management theory jungle, I come across varied approaches shuttling between these two extremes. As a humble learner, I am trying to reconcile with some fundamental assumptions regarding individual on the one hand and organisation on the other hand.

The Individual:

- The whole organic person.
- Individual differences-no two persons are totally alike.
- Caused behaviour- human behaviour is a function of motivation.
- Dignity or value of an individual.

The Society:

- A Social system.
- Mutuality of interests-exchange relationship between people and organisation.

Against this broad backdrop, I am trying to study, analyse and interpret the individual– organisation interface in the era of Globalisation.

GLOBALISATION CONCEPT

Globalisation is the coming together of the economy of the country with the world economy. It is a processes rather than an objective, which comes after liberalisation and privatisation to achieve better qualitative growth, economic betterment and meeting the demands of ever expanding economies with active inter -governmental participation.

Globalisation in context of trade, commerce and business is absence of trade barriers, opening up of domestic market for business activity with the world, liberal code of conducts for alien companies, chances of global establishment and recognition and having multiple and wide variety of options to choose between for trade and commerce.

INDIA'S TRANSITION TOWARDS GLOBAL ECONOMY

India since independence followed the mixed economy, like most of the economies of that time India was inward-looking (closed) economy with strong focus on domestic demand, domestic population, and domestic resources were concerned fulfilling basic needs in an economy.

But the policies formulated by the government of India for economic growth and development did not succeed and resultant into balance of payment crisis in 1991. Which led to shortage of foreign exchange reserve even for import of basic items. Food prices and inflations were at its pick and domestic production was not sufficient for curbing the needs of the people. This led the government to bring economic reforms in the country based on the New Economic Policy (NEP).

The policies emphasis on encouraging industrialisation, modernisation, technological advancement, free trade and commerce, liberalisation of existing rigid norms for import-export and foreign investment etc. with this India entered into the period of Liberalisation (L) further Privatisation (P) and today what is called Globalisation (G). But this model of development (L.P.G.) was not native in demand rather it is forced on behalf of 'shock therapy'.

No doubt that globalisation has profited Indian economy and companies very well by giving them equal opportunity to grow and expand its business alike any other companies of the world anywhere in the globe without any discrimination.

- India's steel giant Tata Steels acquired Corus at price of \$12.98 billion in year 2006 became the fifth largest steel company of the world.
- In February, 2010 Bharti Airtel acquired Zain Africa an African telecom company at cost of \$10.7 billion and incorporated 180 million new customer.
- In a major achievement Tata tea acquired Tetley tea at an amount of 1,870 crores in a major over-sea acquisition.
- VSNL is about to acquire tycoons undersea cable network for Rs.572 crores, it would give them the control of over 60,000 km undersea cable network across three continents.

Though prima facie it look like Globalisation has only plus points and nothing to question over. But studies have revealed the fact that how the gain of companies costs on employee and labourers and reflected the hidden facets of globalisation.

ILLEFFECTS OF GLOBALISATIONS

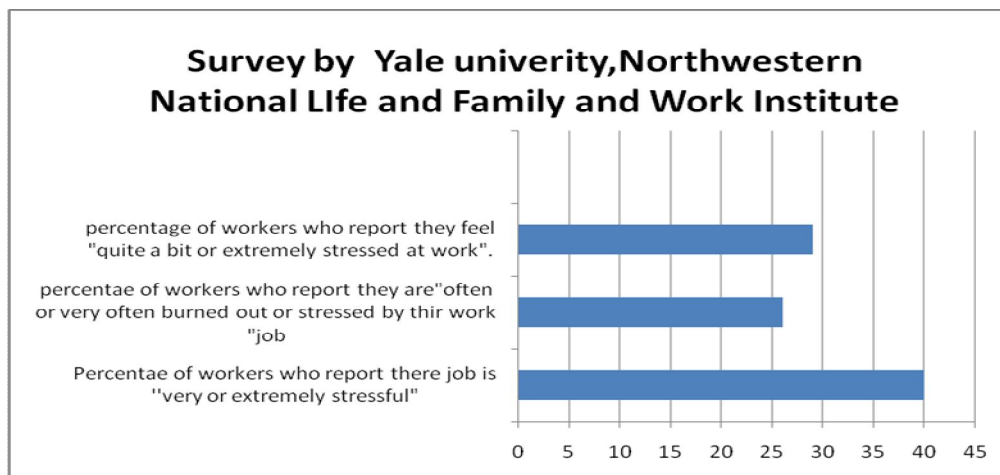
- Critics argued that globalisation is market distorting and here the poorer and developing countries have to keep their market open for foreign product and goods which is usually better than the native one causing them financial loss and shutdown of their business.
- It is even claimed that Market - Driven globalisations has widened the disparities among nations and people.
- It is because of globalisation- led export strategy or growth - led export strategy caused currency crisis in late nineties in South-East Asian countries which made the world cautious against the particular strategy of growth.
- Previous economic crisis and recession have not affected the world adversely in the manner as this time. The recent Global crisis of 2007 leading to contraction of US output and resultant global recession ,leading to widespread global unemployment , which have even destabilised the global economy of world .leading to overnight collapse of well-known large financial institutions like The Lehman brothers, Bear and streams, General motors.
- Countries like India and China were not touched by the crisis badly this time because of their limitations to open market policy but as they are opting for open door policy they are becoming more vulnerable to disaster and if caught in to trap their suffering will be more adverse then any developed countries.

- Since the beginning of the crisis as many as 157 banks have closed down in US. It can be very well said that the crisis has its epicentre in the US but the shivers went throughout the global as a by effect of globalisation.
- L.P.G. processes which was adopted as growth measures on behalf of bailout package have aggravated the inequality in the Indian society, enlarged the rich-poor divide, rural-urban divide with rich becoming richer and poor becoming poorer. It has also caused imbalance in to the structural growth of the country. Revolutionised some sector of the economy and sided with other sectors like agriculture and industry which employees more than half of the population of the country, leaving the people deprived from the benefits of growth and development that took place in the other part of the country.

GLOBALISATION EFFECTING INSTITUTIONS AND INDIVIDUALS

In order to establish itself in market globally companies, organisations and often countries focuses on the positives outputs only(their profit), meanwhile they keep themselves distant from taking any social responsibility. Besides these they even don't bother to use their muscle and money power for several acquisitions. While in race of staying on top, best, developed, profitable and rich tends to violate human rights. Various survey have shown that employee working in the multi-national companies, private organisations are more vulnerable and prone to diseases because of the ever increasing work -pressure, bad working conditions, stiff- competition ,job-insecurity less wage, harassment at workplace, inclusion of child labour etc. Which we can conclude the after effect of globalisation.

- In India Job uncertainty has increased pressure on employees with 71 per cent saying they are facing more stress-related diseases ever since the economic recession.
- Studies revealed that illness related to stress can cause serious health disorders from obesity to heart disease, diabetes, depression, back pain, headache etc.
- Survey covered across 95 countries of world, says that 34% of Indian employee are suffering from insomnia fearing about losing their job.



- Work related stress in India increased absenteeism up to 56% causing decline in productivity and health of workers.
- According to a survey, 'Government v/s Private Employee Health Scenario' in India says 85% private companies employee have life style diseases or chronic disease or acute diseases while only 8% government employee having these kinds of problems.
- In America one-fourth employees see reasons their jobs as the number one stressor in their lives.
- Three-fourths of American employee believe that they have more on-the-job stress than a generation ago.
- Work related problems are causing more stress related hazard than any other problems that is financial or family.

INDIA PROSPERING, NOT INDIAN

Though we on letter always boasts about the growth and growth pattern of India but Some results as per research and studies by Mani Shankar Ayer in 2010 shows that this pattern has developed only a part of India not India as whole :

Oxford Poverty Institute and U.N. Dev. Fund finds

- India is among the worst in Multidimensional Poverty Index.
- India remains static between 1994 and 2007, (138)(contrast this with India emerges as second highest growth rate.).
- IT employs less than 1% of our population-accounts for 57% of national income.
- Manufacture leaps ahead in double-digit figure but our work force in organised sector stagnates at 8%- same as it was 20 years ago.
- 77% of Indians live on under rupees 20 per day.
- Every year we add more hungry people to our population than the rest of the world put together.
- Food grain availability per capita- after accelerated growth of the economy in 20 years- is today less than what it was 20 years ago.

WHAT SHOULD WE CELEBRATE?

- We have 4th largest number of billionaires in the world.
- Wealth of 100 richest Indians equals a quarter of our GDP.
- Accelerated growth has given us accelerated inequality.

LIVE EXAMPLE–ILL EFFECTS OF GLOBLIZATION (BHOPAL)

Bhopal Gas Tragedy- This event created the benchmark of destruction in the hearts of the Indians. The capital of Madhya Pradesh, Bhopal in India was affected by the ill effects of Globalisation. Union Carbide an American Multi National Company set up a plant for manufacturing fertilizers and to do so they used chemical called Methyl Isocyanides. The company moved to India as the chemical methyl isocyanides was banned in America because it is highly toxic and can cause massive destruction. Union Carbide was situated in the centre of Bhopal. Many people went there for work. Company mainly focussed on the increase in production and less on the maintenance of machinery and the people who worked there. On 3rd December, 1984 gas leaked from a tank of methyl isocyanides and other gases like hydrogen cyanide and mono methyl amine. These gases burn the tissues of eyes and lungs. Unofficially it was stated that 8000 people died immediately after disaster but recently it was updated to 16000 deaths. Union Carbide blame their workers for the accident. In February 1989, the supreme court of India made union carbide corporation and union carbide India limited to pay-out 470 million dollars to all of the claims stating that they had been affected severely by the gas leak.

LIVE EXAMPLE - PUERTO RICA (SOUTH AMERICA)

Another example of one such place affected by globalisation is Puerto Rica in South America. There have been complaining of poor working and living conditions of people working on Del Monte banana plantations. Skin infections and impotence have been caused by pesticides used in plantation field. Suits are supplied to the workers but these suits are bulky, old fashioned, too hot to work and slows down the workers as per complain of workers.

There is no proper drainage and sewage system which causes the disease. After the workers first 10 months on the plantation 85% are fired because they can no longer keep up with the demand or have health related problems such are backache, liver and kidney problems and exhaustion. Workers are exploited over there and advantages have been taken by making bigger profit.

- It is evident from above two instances that multinational companies in both places treated people and their employees just a resource for their optimisation. They utilise the people without caring about their health,

life and dignity. This became possible only because of globalisation, as it gave them access in to the victim countries on behalf of bringing development and growth.

It can be concluded from above given references that no doubt globalisations gives plethora of opportunities ,scope and chances for moving ahead. But along with this it has also several drawbacks. Globalisation is a truth of 21'st century which we can't ignore. But at the same time we can ensure that through demographic participation can check its evil outcomes and can fill the loopholes which is making it exploitative, anti- poor, exclusive and unsustainable.

REMEDIAL MEASURES

- Government interference is required for fixing the role of private firm and organization's in developing of society and country. Growth led export should be promoted rather than export led growth.
- Multi-polar trade and commerce should be encouraged and facilitated. Source of F.D.I. and F.I.I. should be diverse not restricted at a place.
- Giving training, education and imparting skill is necessary among countrymen by both government and private parties. It is necessary so that they can adapt themselves with the changing world or can cope with globalisation.
- M.N.C's and private firm have to take responsibility of society wellbeing, increasing- unemployment and poverty.
- They have to provide their employees job security, better environment conditions for working, good salary, insurance and other amenities.
- Profit should not be the only motto at any cost while emphasis should lay upon Human Development Index.
- Encouraging them for practicing Inclusive and sustainable economic growth.

“Speed is immaterial and irrelevant if you are moving in a wrong direction.”

Mohandas Karamchand Gandhi

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A STUDY ON CONSUMER BEHAVIOR TOWARDS AAYURVEDIC PRODUCTS WITH SPECIAL REFERENCE TO AMRAVATI REGION

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ABSTRACT

The study is based on the buying behavior of the consumer. There various branded and non branded products are available in the market. As our Indian ayurvedic industry is marked by the presence of both organized and unorganized players. The objective of the study is to analyze consumer behavior in consuming/purchasing Ayurvedic medicines/product and to find out the influence of word of mouth publicity (WoM) of the aayurvedic products in buying behavior process. In this study researcher found that WoM plays important role in promoting products. Or we can say that Friends or relative's suggestion and Religious Programs/Yoga Camp make enough impact on consumers mind to increase consumption of Aayurvedic products.

Key Words: *Ayurveda, Consumer Behavior, Traditional Medicines, Word of Mouth, Yoga Camp*

INTRODUCTION

There is a concept that has been passing down verbally from generation to generation in India about the origin of Ayurveda. Accordingly, the ancient "Rishis / Saints" or wise men of India gathered at the foot of the Himalayas. Their objective was to innovate together the secret of leading a healthy, long life. The final product of their effort came to be known as Ayurveda. Ayurveda is an officially recognized system of medicine. The World Health Organization (WHO) recognizes Ayurveda as 'Traditional Medicine' (TRM). Our study refers to the consumer buying behavior for aayurvedic products at Amravati region. From this study researcher can say that people had great belief in aayurveda and aayurvedic products. Overall, ayurveda products fall into two categories—branded and traditional. Currently, more than 30,000 branded and 1,500 traditional products are available in the market. At present, India manufactures ayurvedic drugs worth Rs 6,000 crore per year, of which Rs 1,500 crore are exported. About 60 percent of this is crude herbs to be manufactured into products outside India, about 30 percent is finished product shipped abroad for direct sales to consumers, and the remaining 10 percent is partially prepared products to be finished in foreign countries. It is estimated that the total market size of the Indian ayurvedic market size is Rs 8000 crore and it is growing substantially between 10-15 percent, with the same growth rate targeted for the next 10 years. Various well known brands like Dabur, Baidyanath, Sandu, Patanjali yog pharmacy etc. are giving easy availability and quality products to the consumers.

The ayurvedic market in India is distributed, with more than 9000 manufacturing units; most of them are quite small. The industry has been conquered by less than a dozen major companies for decades, recently joined by a few new entrants, taking the count to about 30 companies.

The key suppliers in the ayurveda segment are Dabur India, Sri Baidyanath Ayurvedic Bhawan and Zandu Pharmaceuticals, which together account for 85 percent of India's domestic ayurvedic market. Other major suppliers are include Himalaya Drug Company, Charak Pharmaceuticals, Vicco Laboratories, Emami Group and Viswakerthy Ayurvedic Pharmacy, Ayurveda Pharmacy and Ozone Group.

The products of these companies are included within the broad category of 'fast moving consumer goods. Most of the larger ayurvedic medicine suppliers provide materials other than ayurvedic internal medicines, particularly in the areas of foods and toiletries (soap, toothpaste, shampoo, etc), where the main ingredients may be traditional herbal ingredients, which are projected as the unique selling proposition (USP) of these products.

LITERATURE REVIEW

An Indian medicinal system 'Ayurveda' is considered to be oldest and ancient system of curative and preventive system of the medication. Ayurveda is derived from two words, Ayus and Veda. Understanding the meaning of both words is necessary to fully grasp the philosophy of this discipline.

The English translation of ayus is "life". In the Vedic context, the definition of life is broader than simply chronological lifespan. It does not mean the age of a person; the number of years lived on Earth measured from birth until the present day. Ayus is much more than that, it is a combination of the:

- Body Sarira
- Senses Indriya
- Mind Manas
- Soul Atma

Veda is a Sanskrit word which means “knowledge” or “science”. Vedic knowledge is enshrined in fourteen sacred texts. There are four Vedas (Rig, Yajur, Sama and Atharva), six Vedangas (auxiliaries), Meemamsa (interpretations), Nyaya (logic), Puranas and Shastras. Although Vedic knowledge originated in India, it does not mean this information is of relevance only to Indians. Vedic information can be utilized by anybody, in any part of the world. If we, as Indians, think this wealth of information is our exclusive property and don't share it, we are not providing you with the chance to learn from the profound wisdom that has enriched our culture for centuries.

Vedic knowledge propounds the principle of natural balance within the body and harmony with the environment. People are seen as an integral part of their habitat - not as a separate entity from the natural world. Obtaining and maintaining balance within the body and mind, and with the external environment, is one of the goals of this knowledge. Living in harmony with nature and according to natural principles ensures complete physical health and peace of mind.

Around 5000 years BC, Rigveda & Atharvaveda contain many hymns on diseases and their treatment by various plants and other materials. It was around 1000 years BC when Ayurvedic fundamentals and its eight clinical specialities were fully documented in Charaka Samhita and Sushruta Samhita – the first compendia on Ayurvedic medicine & surgery respectively. In this sense, Ayurveda is considered to have divine origin representing one of the oldest organised system of medicine for positive health & cure of human sickness. Making use of systematic careful observations and documenting detailed experiences over the past several thousand of years, it has grown into a very comprehensive health care system with two major schools and eight specialisations. It has a school of physicians and a school of surgeons referred in literature as ‘Atreya Sampradaya’ and ‘Dhanvantri Sampradaya’ respectively.

The most important and massive ancient compilation of the School of Medicine is known as Charaka Samhita. It contains several chapters dealing at length with therapeutic or internal medicine. About 600 drugs of plant, animal and mineral origin are described in it. Besides, this compendium also deals with other branches of Ayurveda like anatomy, physiology, aetiology, prognosis, pathology, treatment and medicine etc.

An equally exhaustive ancient compilation, Sushruta Samhita exists relating to school of surgery. It deals primarily with various fundamental principles and theory of surgery. More than 100 kinds of surgical instruments including scalpels, scissors, forceps, specula etc. are described along with their use in this valuable document. Dissection and operative procedures are explained making use of vegetables and dead animals. Descriptions of how to go about doing incision, excision, extraction and bandaging etc. are detailed in this compendium. In addition, this document also mentions of such other topics as anatomy, embryology, toxicology and therapeutics. It also has a mention of about 650 drugs.

In course of time Ayurveda, which started as a magico-religious practice, matured into a fully developed medical science with eight branches which have parallels in the modern western system of medicine. The growth of these eight specialties gave Ayurveda another name of Astanga Ayurveda. In the last 50 years of development in the teaching and training, it has developed into following sixteen specialties

1. Ayurveda Siddhanta (Fundamental Principles of Ayurveda).
2. Ayurveda Samhita.
3. Rachna Sharira (Anatomy).
4. Kriya Sharira (Physiology).
5. Dravya Guna Vigyan (Materia Medica & Pharmacology).
6. Ras-shastra.
7. Bhaishajya Kalpana (Pharmaceuticals).
8. Kaumar Bharitya (Pediatrics).
9. Prasuti Tantra (Obstetrics & Gynaecology).
10. Swasth-Vritla (Social & Preventive Medicine).
11. Kayachikitsa (Internal Medicine).
12. Rog Nidan (Pathology).
13. Shalya Tantra (Surgery).

14. Shalkya Tantra (Eye & ENT).
15. Mano-Roga (Psychiatry)
16. Panchkarma.

DEFINITIONS

Ayurveda: It is holistic as well as scientific way of treating ailments of human being. Ayurveda can be defined as a system, which uses the inherent principles of nature, to help maintain health in a person by keeping the individual's body, mind and spirit in perfect equilibrium with nature.

Consumer behavior: Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. (By Wikipedia).

In other words we can say that Consumer buying behavior is the sum total of a consumer's attitudes, preferences, intentions and decisions regarding the consumer's behavior in the marketplace when purchasing a product or service. The study of consumer behavior draws upon social science disciplines of anthropology, psychology, sociology, and economics.

OBJECTIVES

1. To study consumer behavior in consuming/purchasing Aayurvedic medicines/product
2. To study the influence of word of mouth publicity of the aayurvedic products.

RESEARCH METHODOLOGY

➤ Sample size n= 300

Note: 400 Questionnaires were distributed for data collection out of which 359 questionnaires were return back to researcher. Out of 359 Questionnaires researcher picked up best 300 fully filled questionnaires for research purpose.

- Sample universe - Respondents who had completed 18 years of age from Amravati Region (i.e. Amravati, Akola, Washim, Buldhana and Yavatmal City)
- Sampling Technique - Convenient Random Sampling Technique
- Data collection tool - Questionnaire
- Tools for analysis - Correlation Coefficient Test and Standers deviation

LIMITATIONS

- All findings are related to the Amravati Region only. The findings may or may not be applicable to all over India.
- The responses given by the respondents may not be cent percent accurate.
- Inability of human mind to remember certain facts also poses a limitation.

DATA ANALYSIS

Table 1: Cross relationship between Consumption pattern of various age group vs tenure of usage for Male Consumers

| Age Tenure | Male Consumers | | | | | |
|-------------------|----------------|-------------|-------------|-------------|--------------------|--|
| | 18-30 years | 31-40 years | 41-50 years | 51-60 years | 61 years and above | |
| Less than 1 year | 2 | 1 | 1 | 2 | 3 | |
| 1 to 3 year | 9 | 3 | 3 | 2 | 4 | |
| 4 to 6 year | 2 | 11 | 12 | 6 | 7 | |
| 7 to 9 year | 1 | 1 | 9 | 10 | 3 | |
| 10 to 13 year | 0 | 2 | 12 | 9 | 8 | |
| More than 13 year | 0 | 1 | 11 | 7 | 16 | |
| Total | 14 | 19 | 48 | 36 | 41 | |

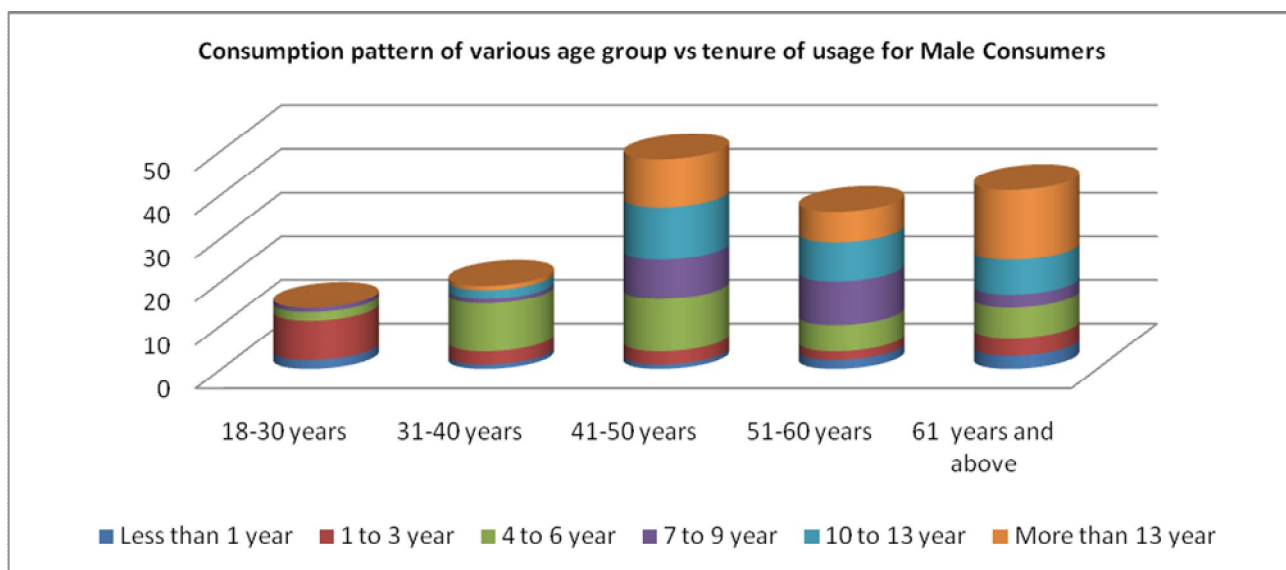
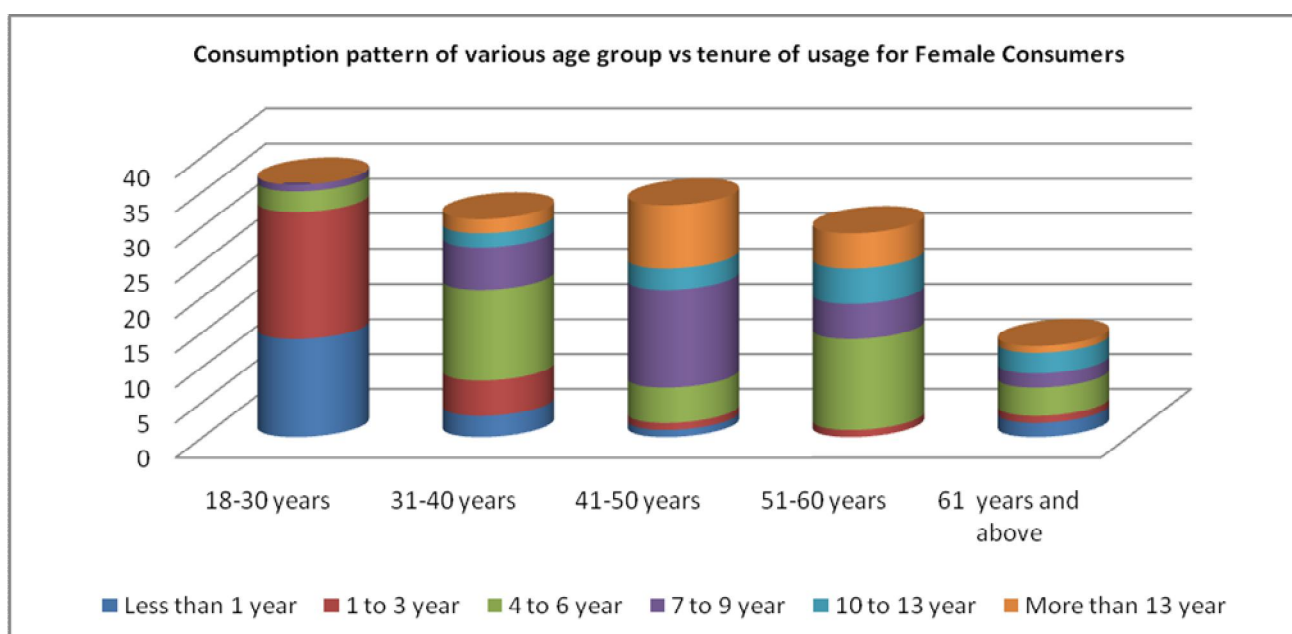


Table 2: Cross relationship between Consumption pattern of various age group vs tenure of usage for Female Consumers

| Female | Age → | | | | | |
|--------|-------------------|-------------|-------------|-------------|-------------|--------------------|
| | Tenure ↓ | 18-30 years | 31-40 years | 41-50 years | 51-60 years | 61 years and above |
| | Less than 1 year | 14 | 3 | 1 | 0 | 2 |
| | 1 to 3 year | 18 | 5 | 1 | 1 | 1 |
| | 4 to 6 year | 3 | 13 | 5 | 13 | 4 |
| | 7 to 9 year | 1 | 6 | 14 | 5 | 2 |
| | 10 to 13 year | 0 | 2 | 3 | 5 | 3 |
| | More than 13 year | 0 | 2 | 9 | 5 | 1 |
| | Total | 36 | 31 | 33 | 29 | 13 |



The above table shows cross combination between various age parameters and consumption tenure of Male and Female. From above tabulation and graphical representation the researcher can interpret that consumer *between age group 41 – 50 years* are more health oriented and had a strong belief in aayurvedic products/medicines as they are using it from 7 – 9 years. Whereas the consumes *between age group 18 – 30 years* who were using aayurvedic products/medicines from last one year or 1 – 3 years were started believing in the same.

Correlation Coefficient test: By considering the relational criteria i.e. *Gender, Age and Consumption Tenure*, the researcher found that correlation coefficient for the age group 18- 30 years and 31 – 40 years is 0.84 and 0.91 respectively ($\rho=0.84$ and $\rho=0.91$) which indicates that all these factors are highly correlated to each other. Whereas correlation coefficient for age group 61 years and above, is negative ($\rho= -0.16$), as the Age and Consumption Tenure increases, the consumption pattern get fluctuated.

FINDINGS

- ✓ While analyzing the data it was found that all the respondents had used aayurvedic products. Out of over all respondents (i.e. $n=300$) it is found that 62.7% ($n=188$) always use aayurvedic products in some or the other way whereas 37.3% (i.e. $n= 112$) sometimes uses aayurvedic products.
- ✓ It been found that almost all the consumers buy aayurvedic products in various forms like Cosmetics, Daily needs like soap, shampoo and massage oil etc., Health Foods like chyanprash, sunthpak etc. and Medicine.
- ✓ There are various factors which affect consumer buying behavior, but by analyzing and applying standard deviation on various parameters, the researcher found that, is $sd=6.9\%$ which suggest that there are number of factors which affect consumer buying behavior. So our sd ranges from 9.8% – 23.6%. Out of various reasons of consuming aayurvedic products, researcher can conclude that following three reasons can highly affect consumption pattern of aayurvedic products/medicines.
 - Allergy to allopathic products
 - Fear of side effects of non aayurvedic products
 - Can't trust on allopathic treatment/ product
- ✓ Word of mouth publicity is excellent tool for any company to promote their products. After analyzing the data, researcher found that, $sd=12.32\%$ where 4.4%-29.0% is the valid range for the same which suggests that Advertisement, friends and relatives plays very important role for Consumers who get information about aayurvedic products/medicines.
- ✓ 37% ($n=111$) consumes aayurvedic products/medicines only on friends and/or relatives suggestions whereas 13.33% ($n=40$) consumes only on doctors prescription. This may happen because of *less or no side effects* of the aayurvedic products/medicines.
- ✓ Researcher also found that word of mouth publicity has great impact on buying pattern. 82.33% ($n=247$) respondents had no impact of advertisement while buying aayurvedic products/medicines, whereas only 17.67% ($n=53$) respondents get influenced by advertisements.
- ✓ 96.67% ($n=290$) respondents are feels that aayurvedic products/medicines meets there expectations. In other words aayurvedic products/medicines give sure results to the consumers.
- ✓ 48% ($n=144$) respondents had great trust in Shree Pantanjali Yog Pharmacy. This may be because of some reasons like Price, Taste, Quality, Trust, Easy Availability and a great faith in Swami Baba Ramdev. Where respondents had given second and third rank to Himalaya (13.7%) and Baidyanath (11.3%) simultaneously.

CONCLUSION

In this research it is found that some respondents were consuming aayurvedic products/medicine since long duration and they are highly satisfied with the quality of the aayurvedic products/medicine. Yoga camp/Religios Programs have their special places in the minds of the consumers and such type of programs can boost the sales of the aayurvedic products/medicine. This happens because of the trust of the followers on the yoga teacher (Yoga Guru)/preachers. It is also found that instead of taking doctors advice, consumer purchases aayurvedic products/medicine by their own discussion with friends/relatives or pharmacists.

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