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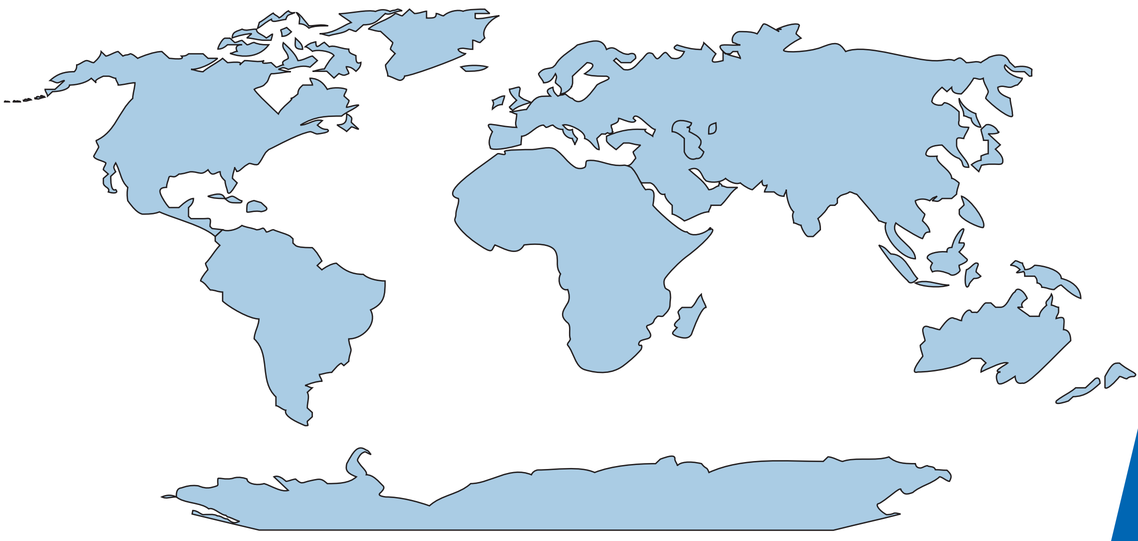

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Research Papers

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ANALYZING DEPENDENCE BETWEEN EMPLOYEES DEMOGRAPHIC FACTORS AND EMOTIONAL COMPETENCE: A STUDY WITH REFERENCE TO EMPLOYEES WORKING IN CATEGORIZED HOTELS IN NCR

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ABSTRACT
The present study explores the relationship between role of demographic factors on emotional competence of employees with reference to employees working in categorized hotels in NCR. For the present study respondents from 10 different hotels in NCR were selected to determine their awareness level with their emotions, identifying role of family environment factors on emotional competence, role of gender, age group and job position on emotional competence of employees.
Different statistical tools like t –test, F-test and correlation were used to test hypothesis. After interpretation it was found that employees are aware of their emotions quite well and understand the relevance of emotional competence on their performance .It was observed that females of lower age group exhibited high emotional competence and converse was true in male employees. The same was true in case of family environment factors where females scored higher than their male counterparts.
With respect to type of family employees living in joint family scored high on emotional competence than those living in nuclear family.
The study concluded that there lies a significant positive relationship between family environment and emotional competence of employees as well as there is difference in the level of emotional competence based on gender.
The study has wider implications with respect to sector like service industry where it looks very lucrative to others but has its own challenges. Thus in the present context where organizations are focusing on talent engagement and retention a review and reassessment of policies and practices right from organization work culture to working conditions emphasis should be laid on how to make employees happy, productive, strategically driven and result focused benefitting both. It is thus the behavioral perspective through emotional strengthening that nurturing, engaging and retaining human capital will become possible.

Keywords: Demographic factors, Emotional Competence, Employee psychological well being Family Environment,

1. Introduction

Emotional Competence has been since quite long a topic which has attracted attention of researches and organization as an important factor that affects the behavior inter-personal relation, and way in which they manage their emotions. Salovey and Mayer (1990) viewed emotional intelligence as a type of social intelligence that involves the ability to monitor one's own and others' emotions and to use the information to guide thinking and actions. From this perspective, emotional intelligence is an umbrella term encompassing a collection of interpersonal and intrapersonal skills. The ability to comprehend the feelings of others, create and retain interpersonal relationships and, most importantly, our sense of social responsibility comprises interpersonal skills; and the ability to recognize and realize one's own motivations and emotions composes intrapersonal skills (Salovey & Mayer, 1990). To measure emotional intelligence from this perspective, a skill-based model conceptualizing emotional intelligence as a set of abilities irrespective of personality traits or preferred ways of behaving was proposed. The proponents of

the ability models of emotional intelligence contended that measures of emotional intelligence should be performance tests constrained to a set of emotion-related skills.
Goleman (1998), a pioneer in the field, emotional intelligence is "the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationship"(p. 317). To assess emotional intelligence from this perspective, the mixed models utilized self-report measures incorporating an array of perceived abilities and traits.

Bar-On (2000), the designer of the world's mostly-used mixed measure of emotional intelligence, viewed it as an integration of interconnected emotional and social competencies and skills determining how successfully we comprehend and convey ourselves, realize others and communicate with them, and deals with the daily necessities and problems. The emotional and social competencies and skills in this conceptualization include the five key constructs and each of these constructs consists of a number of closely associated components as follows: (1) Intrapersonal (Self-Regard, Emotional Self Awareness, Assertiveness, Independence and Self- Actualization), (2) Interpersonal (Empathy, Social Responsibility and Interpersonal Relationship), (3) Stress Management (Stress Tolerance and Impulse Control), (4) Adaptability (Reality Testing, Flexibility and Problem Solving), and (5) General Mood (Optimism and Happiness) (Bar-On, 2006).

Being emotionally competent means to be emotionally and socially intelligent means to be efficiently aware of and express oneself, to understand and communicate well with others, and to effectively tackle daily problems, requirements and pressures. This is indeed the manifestation of one's intrapersonal capability to know about oneself, to realize one’s potencies and weak spots and to convey one’s emotions and thoughts non-destructively

There had been very less studies that focused on role of family environment factors on emotional competence of in organization setting. After understanding the importance of emotional competence study of this nature is expected that the inferences will help in providing better insights on role family environment factors plays n making employees more emotionally competent and thus improving interpersonal relation at large.

Review on previous studies
Goleman (1995) and Stein and Book (2000) have argued that those leaders with greater emotional intelligence will be the more effective leaders. George (2000) suggests that emotional intelligence plays an important role in leadership effectiveness and proposes that the ability to understand and manage moods and emotions in oneself and in others theoretically contributes to the effectiveness of leaders. When emotional intelligence is present, there is increased employee cooperation, increased motivation, increased productivity, and increased profits. An emotionally aware leader has the ability to supply subordinates with a clear set of values within which to operate. Superior levels of emotional intelligence allow leaders to create a mutually agreed set of values to facilitate the development of employee potential in the organization (Amos, Ristow and Ristow, 2004)

Another study by Sheelan and Donald on “Developing Students' Emotional Competency Using the Classroom-as-Organization Approach” also focused on role of treating classrooms as institution to understand their emotional level, way of interacting with each other and making students more aware of their emotions thus inculcating the best skills and making them emotionally driven. This focuses on role of emotional competence to be an essential component in making students better emotionally conscious

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A study conducted by Rivers and Reyes(2009) on," (Enhancing academic performance and social and emotional competence with the RULER feeling words curriculum" also focused on role of social and emotional competence on developing emotional competence and skills in students. In this study researchers conducted a pre- and post-test quasi experimental design was used to test the impact of a 30-week, theoretically-based social and emotional learning (SEL) curriculum, The RULER Feeling Words Curriculum ("RULER"), on the academic performance and social and emotional competence of 5th and 6th grade students (N=273) in fifteen classrooms in three schools..This study provides preliminary empirical evidence that SEL programs like RULER improve important student outcomes.
Still the researches on role of family environment on emotional competence are still are, so it strengthens the reason to conduct studies like these.

The objectives of the study are as follows-

a) To identify the awareness level of employees with regard to their emotions.
b) To identify the role of designation on emotional competence.
c) To identify the role of demographic factors like age and gender on emotional competence
d) To identify the impact of type of family on emotional competence

In order to determine the awareness level of different employees working in selected categorized hotels and different ways in which they manage their emotions at workplace and different factors that affect the emotional competence like age, gender, educational qualification, type of family is essential to be studied since it affects their performance and chances of retention in organization.
In order to determine the awareness level of employees about their emotions a preliminary interview of 100 respondents from different categorized hotels in NCR consisting of different open-ended questions regarding different aspects of emotions like Identifying the emotions, managing emotions, using emotions and understanding emotions of self and others on the basis of Mayer and Saovey's model was asked from the selected respondents.
There was a mix of opinion based on different aspects of emotional competence, 55 percent agreed that their family members help them and support them emotionally when needed in various situation.35 percent of the respondents agreed that they faced severe problem in facing emotional problems and felt it difficult to handle the situation and in taking decision. It was only 10 percent employees including both men and women in that agreed that they took advice of professionals or psychologist in seeking solutions to emotionally driven problems.

Research Design

Based on simple random sampling 10 different categorized hotels were selected from different cities like Faridabad, Noida and Gurgaon. With the help of purposive sampling total 200 people comprising equally of both gender were selected (Males=100& females=100, Sample n=200). The age ranged from 25-40 years. Standardized tool were used to measure the emotional competence of the employees. An emotional competence inventory consisting of different aspects of Emotional competence with regard to managing, identifying, and understanding emotions was used. A Family Environment scale was developed and used to gather essential information regarding impact of family environment on emotional competence of employees.

Analysis and Interpretation

In order to test the set objective the following hypothesis were formulated-
Hypothesis 1-There will not be any significant difference between emotional competence of employees based on type of family.

Hypothesis 2-There will not be any significant difference between emotional competence based on designation of employees.
Hypothesis 3- There will be not be a significant difference between emotional competence of employees on the basis of demographic factor like age and gender.
Hypothesis 4-There is no significant relationship between Family environment factors and emotional competence.

In order to test the first hypothesis whether there is a significant difference between emotional competences based on type of family t-test was applied. It was seen (Table-1) after t- analysis that there lies a significant difference between emotional competence of employee from nuclear and joint family which is clear from the mean scores which reflect that employees from joint family have higher emotional competence tan employees from nuclear family. The significant value of t (t=5.275; P<0.05) implies that the emotional competence of the two groups is differing significantly. Thus the value of implies that the hypothesis is rejected and that the two groups differ significantly in emotional competence.

Table-1 Type of Family and Emotional Competence

Type of family	N	Mean	SD	SE	t-ratio	Significance Level
Employees belonging to joint family	56	172.342	13.086	3.312	5.275	0.05
Employees belonging to nuclear family	144	139.736	20.143	2.371		

Further in order to set the second hypothesis whether there is s significant difference in emotional competence among employees with reference to their position (In terms of faculty and staff) t-test was applied. As seen in Table 2- It was found that there is no significant difference in emotional competence of employees based on the position hold by the employees It clearly implies that in terms of strategies implemented to manage emotions or identify and understand emotion both have equal challenges and understand the significance of the same at their workplaces almost similarly. Thus the hypothesis is accepted and it is clear that the two groups do not differ significantly in emotional competence irrespective of position.

Table-2 Employees position and Emotional Competence

Category	N	Mean	SD	SE	t-ratio	Significance Level
Managerial level	100	146.351	22.213	3.387	0.082	NS
Executive level	100	146.462	22.102	3.513		

Further, in order to test the third hypothesis to test if there is significant difference in terms of age and gender on emotional competence of employees the following results were observed-.
Employees were categorized as per age group belonging to 25-30 years, 31-35 years and 36-40 year respectively both for males and female. Further mean scores as reflected I Table -3 shows difference at different age group for both gender (Table-3).
In order to determine the difference F-ration was also applied .It was found that the F-ratio was significant (F=15.824p<0.01) (Table-4) thus it can be said that employees at different age groups based on their gender differ significantly in their emotional competence level. Thus the hypothesis is rejected and it can

be inferred that both males and female differ significantly in terms of age group in their emotional competence.

Table-3 Differences in Mean scores in different age group between male and female

Age group		**Female**		**Males**		
	N	**MEAN**	**SD**	**N**	**MEAN**	**SD**
25-30 years	35	176.76	16.463	35	167.51	19.238
31-35 years	35	164.34	20.423	30	129.452	25.492
36-40 years	30	143.54	21.781	35	173.482	14.624

Tabe-4 Two-Way ANOVA for determing difference in Emotional Competence of employees based on gender at different age groups

Source of Variation	Sum of Squares	DF	Mean squares	F	Sig.level
Age group	14531.457	2	102.875	15.824	.000**
Gender	62.857	1	62.857	0.162	.696
Age group*Gender	774.687	2	384.765	.841	.413
Error	42048.275	113	435.213		
Total	14784.86	200			

Further in order to test the last hypothesis of the study if there is any relationship between family environmental factors and emotional competence correlation was applied to see the relationship between different family environment factors and emotional competence. As seen in Table -5 that different dimensions of family environment are seen to be significant in almost all the dimensions at 0.05 level of significance. The coefficient of correlation was found to be 0.62 which is significant at 0.05 levels.

Table-5 Relationship between family environment and Emotional Competence

Family environment	**Emotional Competence**
Cohesiveness	0.48**
Expressiveness	0.57**
Independence	-0.15*
Conflict	0.49*
Organization	0.36*
Family Environment	0.62*

Findings of study

Thus from above analysis the following findings can be noted-

1) Emotional competence is a highly dependent variable and differs significantly with different personal factors
2) Every employee has different way of managing, reacting, understanding and managing emotions which they are aware of.

3) The employees belonging to joint family were seen to be high on emotional competence rather than employees from nuclear family.
4) With respect to age and gender there was a significant difference in emotional competence across different age group with respect to gender .Thus employees differ in emotional competence with respect to gender across different age group. In female category it was found that females at early age group between 25-30 years were seen to be scoring high in emotional competence and it reduced drastically at females at higher age group, which may be due to increasing challenges both at personal and professional front and dual responsibility of women as work force. Whereas in males it was seen that males in higher age category (36-40 years) were found to be scoring highest in emotional competence rather than in middle category (31-35 years) in early age category (30-35 years) also males scored quite higher. It clearly indicates that as males progress the responsibility towards family security, safeguarding financials, career advancement to bring better stability becomes much higher and with increase in experience they become more emotionally competent in terms of decision making, handling emotions of self and others.
5) It was found that irrespective of the position whether at managerial or executive level employees had similar emotional competence which indicates that every job accompanies with itself certain challenges and circumstances where irrespective of nature of job and position an individual needs to be competent enough in managing emotion of both self and others.
6) It was also found that different dimension of family environment viz Cohesiveness, Expressiveness, Independence, Conflict, Organization had significant correlation with emotional competence .It implies that family environment factors to large extent affect employees emotional competence in terms of their performance ,productivity, efficiency and their effectiveness at large.

Thus organization should take special care that these family factors play a contributory role in deciding and determining the outcome of their intellectual capital and strategies and methods should be rigorously followed and developed to make employees highly emotionally competent to understand, identify and manage their emotions in ways which will make them more creative, independent, understanding and in some way will also lead in enhancing their liking and a positive attitude towards work place, the surroundings ,the people in form of peers , subordinates and even superior and will help in developing a committed work culture at large.

Implications of study

It is clear that role of familial atmosphere plays a vital role in productivity and efficiency of employees ,as was seen in the study that employees who live in a joint family were more emotionally competent than those belonging to nuclear families.

Though the concept of joint families is slowly evading in our culture but those who still have experience better support system at times of need, higher caring attitude, advice, support which leads to higher level of contentment and a feeling of security which enhances happiness as well. Thus organization after carefully studying the family patterns may also identify suitable interventions to work on all possible causes on family front that may hinder an employee’s performance and either by counseling, adequate mentoring session, providing feedback, informal interactive sessions could enhance performance and productivity of its intellectual capital.

With respect to gender and differences in emotional competence it was seen that females at early age group were found to be more emotionally competent than their male counterparts, it is due to the fact that female in Indian culture are expected to be more mature at an early age and are supposed to be more expressive and competent in managing, understanding emotions. Converse to this male workforce at

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higher age group were found to be more emotionally competent than in early age. It also reflects the practiced Indian culture perspectives where males are above all in a family system are responsible for bringing better stability and security to the family, thus are reflecting high emotional competence than at early age group. It also hints that organization should plan, design and implement suitable plan and provisions in a manner that will support women workforce making workplace more suitable, supportive and enhancing their performance.
It was also seen that irrespective of the position that an employee holds amongst the respondents whether faculty or staff all of them realized the significance of being emotionally competent.. Thus it becomes imperative for organization to make employees more emotionally competent by way of conducting emotional audits, conducting surveys and then designing suitable measures to create a set of highly emotionally competent workforce.
Finally the study also suggests that the since the family environment factors play a very significant role in emotional competence of employees ,suitable emotional awareness program should be conducted by organization to make employees more emotionally competent and solving work related issues affected by emotions.

Conclusion

It can thus be concluded that family is the first institution where an individual learns emotions, develops values and habits and accordingly learns to identify, manage, and understand emotions of self and others .The family whether joint or nuclear teaches to a large extent the way in which inter-personal relations are been developed and maintained. An individual employee is been affected by this family environmental factors that affect his emotional competence to a large level in terms of its performance, effectiveness and relationship with others. This emotional competence as a result affects the performance, commitment, interpersonal relation, stress level and to a large extent employee’s satisfaction also.
The organization should take suitable action and intervention to understand role of different family factors and its role on emotional competence of employees. With respect to gender suitable policies and provisions should be made to make workplace more conducive to women workforce to enhance their potential.
The organization should consistently strive towards conducting stress audits, counseling session and emotional awareness programs to enhance emotional competence of employees and making organization better places to work upon.

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BANK MARKETING – EMERGING CHALLENGES AND STRATEGIES

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Abstract
The banking industry in India has a huge canvas of history, which covers the traditional banking practices from the time of Britishers to the reforms period, nationalization to privatization of banks and now increasing numbers of foreign banks in India. Therefore, Banking in India has been through a long journey. After the banking sector reforms, marketing has developed as a more integrated function within banks. Bank Marketing is the aggregate function directed at providing service to satisfy customer's financial needs and wants, more effectively than the competition keeping in view the organizational objective. Indian private sector banks and foreign bank's marketing strategies are quite better than our public sector banks. In marketing; it is the customer who has the upper hand. The mantra of effective marketing in bank products lies in the systematic and professional approach towards satisfying customer's needs. Thus, banks have to set up "Research and Market Intelligence" wings so as to remain innovative to ensure customer satisfaction and to keep abreast of market development. Only those banks will survive in the future which will adopt effective and realistic strategy to win the trust of the customer The paper also suggests some strategies for the enhancement of bank marketing.

Key words: Bank Marketing, Challenges and Strategies for Bank Marketing

Bank Marketing In the Indian Perspective:
The formulation of business policies is substantially influenced by the emerging trends in the national and international scenario. The GDP, per capita income, expectation, the rate of literacy, the geographic and demographic considerations, the rural or urban orientation, the margins in economic systems, and the spread of technologies are some of the key factors governing the development plan of an organization, especially banking organization. In ours developing economy, the formulation of a sound marketing mix is found a difficult task. The nationalization of the Reserve Bank of India (RBI) is a landmark in the development of Indian Banking system that have paved numerous paths for qualitative-cum quantities improvements in true sense. Subsequently, the RBI and the policy makers of the public and private sector banks think in favor of conceptualizing modern marketing which would bring a radical change in the process of quality up gradation and village to village commercial viability.

Bank Marketing
Bank marketing in general is of vital importance for Indian banks, particularly in the current context when banks are facing tough competition from other agencies, both local and foreign, that offer value-added services. Competition is confined not only to resource mobilization but also to lending and other revenue generating areas of services offered by banks. Under the circumstances, it has become essential to develop a close relationship with valued customers and come out with innovative measures to satisfy their needs. Customer expectations for quality services and returns are increasing rapidly and, therefore, quality in future will be the sole determinant of successful banking corporations. It is, thus, high time that Indian banks organically realize the imperative of proactive Bank Marketing and take systematic steps in this direction. Due to the fierce competition generated by the entry of private sector banks, marketing has become a strategic tool of product promotion and business development and all the banks whether in public sector or private sector have full-fledged marketing department to effectively put in place all the "7ps" known as marketing mix which consists of product, price, place, promotion, process, people and

physical evidence. To put in marketing terms, it is not only necessary for a bank to have right product but also to have right price, delivered by right people, using right processes, packaged in right manner and at a right place. The salesperson is the crucial part of marketing mix.
Prof. Philip Kotler describes marketing as "the discipline of the marketing that lies in human needs and wants and their fulfillment by providing them such products which would satisfy the customer needs"[1] it aims at transforming the potential demand of a market into actual demand for good and services. The whole field of marketing revolves around a specific theme; how to design and implement a strategy of the offer, in relation to the prevailing pattern of the demands"[2]

Challenges of bank marketing

- **Financial inclusion**

In India still more than 50 % of the population do not have access to any kind of banking services. The main reason for this financial exclusion in India is the lack of a regular or substantial income, excessive documentation for loans & opening of accounts, lack of proximity of the financial institutions, high transportation cost & loss of daily wage.

- **Technology**

Marketing by private sector banks and foreign banks is more effective than public sector banks because these banks are IT oriented. Private sector banks and foreign banks are attracting more customers by providing e-services. Thus, technology has become a challenge before the public sector banks.

- **Human resources management**

Often it happens that when a prospective customer approaches the branch, the employees seem to have very little knowledge about the scheme. This reflects an ugly picture of our bank's image. Banks are not losing one prospective customer but 10 more customers who would be touch of this man. Attitude of the employee s towards customers is also not very well. Thus, it is a need of time to reorient the staff.

- **Rural Marketing**

This is a big challenge before the Indian banks to enhance rural marketing to increase their customers. Banks should open their branches not only in the urban and semi-urban areas but also in the rural areas.·

- **Trust of Customers**

Marketing can be enhanced only by increasing the customers. Customers can be increased or attracted only by winning the trust of the customers.

- **Ever rising customer expectation**

Customer awareness is also a challenge before the banks. Bank can market their products and services by giving the proper knowledge about the product to customer or by awarding the customer about the products. Bank should literate the customers.

Strategies for Bank marketing

In the fierce competitive market, needs of customer keep changing. Hence, our marketing strategy must be dynamic and flexible to meet the changing scenario. Here are steps that form successful and effective marketing strategy for bank products. ·

- **Emphasis on Deposits**

Emphasis, though in a discrete manner, should be given to mobilize more of term deposits as they are more profitable for the bank in comparison to demand. Introduction of products comparable to "Kisan Vikas Patra" of post office and product with the facility of tax rebate under section 88 of Income Tax Act will of much help in this regard.·Form a Saleable Product SchemeBank should form a scheme that meets the needs of customers. A bunch of such schemes can also form a product. A bank product may include deposit scheme, an account offering more flexibilities, technically sound banking, tele/mobile/net banking, an innovative scheme targeted to special group of customers like children, females, old aged persons, businessman etc. In short, a bank product may consist of anything that you offer to customers.

- **Effective Branding**

Man is a bundle of sentiments and emotions. This can effectively be helpful in branding our products. Considering the features of products and target group of customers, the product can be effectively branded so as to sound it catchy and appealing. Some proven examples are Apna Ghar, Dhan Laxmi, Kuber, Flexi Deposit, Smart Kid, Sapney, Vidyab etc. The branding should be done in such a way that the brand name must attract the attention of customers. It should be easy to remember. The target group and the silent feature of the product should resemble brand name. This will help a lot in making the brand successful. All employees and all our campaigns shouldrefer the product by its brand name only so that to strike the same in the customer's mind.·

- **Products for Women**

The national perspective plan for women states that 94 pc of women workers are engaged in the unorganized sector and 83 pc of these in agriculture and allied activities like dairy, animal husbandry, sericulture, handloom, handcrafts and forestry. Banks should do something to improve their access to credit which they require.

- **Customer Awareness**

There is a need to educate the customers on bank products. Efforts should be made to widen and deepen the process of information flow for the benefit and education of Indian customers. Today, the customers do not have any idea as to how much time is required for any type of banking service. The rural customers are not aware for what purpose the loans are available and how they can be availed. Customers do not know the complete rules, regulations and procedures of the bank and bankers preserve them for themselves and do not take interest in educating the customers. It is a need to educate the customers from the grassroots of banking. It is time that each bank branch takes steps to educate the customers on all banking function, which will facilitate growth of banking on healthy lines both qualitatively and quantitatively.

- **Advertisement**

Advertisement is an eminent part of marketing of bank products. Advertisement should be such that appeals to people. It should not follow the orthodox pattern of narrating a product. For effective advertisement, bank should understand people's tastes and choices.

- **Selling Products in Rural Areas**

For enhancing the marketing of their product, bank should sell their products in rural areas. For it, there is a need to open branches in the rural areas. ·Informing Customers About Products The bank should embark upon aggressive marketing of its products, particularly at the time of launching a new product, which will inform the perspective customers regarding product and at the same time relieve staff at branch level from explaining the product to all customers.

- **Customer Convenience**

In a service industry like banking where product differential is hard to maintain and quality of service depends upon the service provider, from whom it cannot be separated. So the bank employees have to render services to the satisfaction of the customer, not as per their own conveniences or whims.

- **Re-orient Staff**

Sincerity of efforts in implementation of the measures is lacking among the bank staff. It is a fact that its employees are not able to rise up to the expectations of its customers. They lack in their behavior, attitude and efficiency. The phenomenon is obvious at urban centers. Therefore, it calls for an immediate attention which is missing link in the entire process of marketing, and the bank should undertake all such steps to motivate its staff.

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- **Sale of Products and Services through Web-**

Sites Internet is a network of network which connects the world. Thus, banks should sale their products through web-site. This will enhance the marketing of the products not only at the national but also at the international level.

- **Banks should expand In overseas market**

In order to sustain the business growth amid highly competitive market and slowing Indian economy, banks are likely to expand in the overseas market. They should try to tap emerging opportunities by expanding into newer markets such as Africa, former Soviet region and other South East Asian countries, in which India has maintained good trade relations.. However, high capital cost for setting up for-eign operations can act a restriction in the way of expansion.

- **Mobile banking, next major technologi-cal leap**

With the adoption of technology, the Indian banking sector can undergo with significant transformation from local branch banking to anywhere-anytime banking. Over the past couple of years, there has been huge growth registered in the number of transactions done through mobile devices. The rapid growth of mobile is driven by availability of 3G/4G network, increasing number of smart phones and several tele-com companies offering economical data usage packages.

Conclusion

The Indian Banks have managed to grow with resilience during the post reform era. However the Indian banking sector still has a large market unexplored. For a successful and effective banking marketing the banks should focus on various bank marketing strategies in order to attract and retain more and more customers. Banking sector reforms have changed the traditional way of doing banking business. Mainly technology is the outcome of banking reforms. Customer is now the king and customer focus or satisfaction of customer is the main aim of the banks. With the introduction of new products and services competition has grown up among the banks. Only those banks will survive who face the competition with the effective ways of marketing.

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EFFECT OF CELEBRITY BASED ADVERTISEMENT ON THE PURCHASE ATTITUDE OF CONSUMERS TOWARDS RETAIL PRODUCTS

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Abstract

This research paper aims to explore "Consumer buying behaviour on celebrity endorsement and brand building in retail industry". The study focuses that celebrity endorsement acts as a source of brand-building and has impact over the purchasing behavior of customers in case of retail products. The purpose of the study is (1) to identify the influence of celebrity endorsement on consumer buying behavior. (2) To study celebrity endorsement as a sources of brand building. (3) To find which type of celebrity personnel is more effective. It was found that celebrity endorsement is the key factor that plays an important role in affecting purchase intention and also acts as a source of brand building. Nearly everyone wants to see their favorite celebrity endorsing their brands.

Introduction

Businesses have been attracting the attention of potential customers that live in a world by increasing everyday commercial bombardment. Today everyday customers are exposed to thousands of voices and images in magazines, newspapers, and on billboards, websites, radio and television. Every brand attempts to take at least a small part of an innocent person's time to update him or her of the remarkable and different attributes of the product by some or the other means. Because of the constant media saturation, and overexpose of customer from advertisement by every big and small business houses make them uninterested in listening or focusing to what the advertisement says, they eventually become frozen to the standard marketing techniques. The challenge of the marketer is to find a popper that not only hold the subject's attention but also differentiate it from other similar brands. Also from a marketing communications perspective, it is crucial that firms design strategies that help them to gain competitive differential advantage over other firm's product or services. Accordingly, activities back-up other elements in the marketing mix such as designing, branding, packaging, pricing, and place. The term Celebrity refers to an individual who is known to the public (actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed (Friedman and Friedman, 1979). This is true for classic forms of celebrities, like actors (e.g., Amitabh Bachchan, Shahrukh Khan, Aishwarya Rai, Aamir Khan and Brad pit), models (e.g., Mallaika Arora, Naomi Campbell, Gisele Buendchen, etc), sports figures (e.g., Sachin Tendulkar, M.S Dhoni, Virat Kholi, Anna Kournikova, Michael Schumacher, Ussan Bolt, etc), entertainers (e.g., Cyrus Broacha, Oprah Winfrey, Conan O'Brien), and pop-stars (e.g., Madonna, David Bowie) -but also businessmen (e.g., Donald Trump, Bill Gates) or politicians. Celebrities appear in public in different role. Firstly, they appear in public when fulfilling their profession role, e.g., M.S Dhoni, who plays cricket in stadium in front of audience. Secondly, celebrities appear in public by attending special celebrity events, e.g., award ceremonies, inaugurations, premieres of movies, live concerts and New Year parties. In addition, they are present in news, fashion magazines, and tabloids, which provide second source information on events and the 'private life' of celebrities through mass media channels. Last but not least, celebrities act as spokes-people in advertising to promote products and services, which is referred to celebrity endorsement.

Literature Review

Soloman (2002), talk about celebrities being most effective in situations involving high social risk, where the buyer is conscious of the impression peers will have of him or her. According to him, a celebrity endorser is comparatively more effective for products high in psychological or social risk, involving elements as good taste, self-image, and opinion of others, compared to a “normal” spokesperson. Goldsmith (2002), he assessed the impact of endorser and corporate credibility on attitude toward-the-ad, toward –the-brand and purchase intention. 152 adult’s consumers were surveyed who viewed a fictitious advertisement for Mobil Oil Company. They rated the credibility of the ad’s endorser, the credibility of the company and attitude towards the-ad, attitude towards brand and purchase intention. It was observed that endorser credibility had its strongest impact on advertisement while corporate credibility has its strongest impact on brand. Till and Shimp, (2007), a recent estimate indicates that almost 20 percent of all advertisements worldwide use celebrity spokespersons. The general belief among advertisers is that messages delivered by celebrities provide a higher degree of appeal, attention, and possibly message recall than those delivered by non-celebrities. Marketers also claim that celebrities affect the credibility of the claims made, increase the recall of the message, and may provide a positive effect that could be generalized to the brand. Expert opinions were considered most useful when the product endorsed was perceived to involve high, financial, performance, or physical risk. Kazmi 2010), celebrity endorsement is a billion dollar industry today with companies signing deals with celebrities hoping that they can help them stand out from the clutter and give them a unique and relevant position in the mind of the consumer. The reason for using celebrity endorsement involves its potential to create awareness, positive feelings towards their advertising and brand. Advertisement featuring celebrity endorsement is often also perceived to be entertaining. Haina Ding, (2010), the use of celebrity endorsement as a part of marketing Communication strategy has been gaining attractiveness over the past years. Amount paid out by firms on endorsement contracts are estimated to be 10% to 25% of total advertising expenditures. However, experimental evidences on the effect of endorsement announcements on the stock prices performance of firms have been mixed at best. Stock returns and trading volumes depends upon the level of press attention. Endorsements that appear in a major newspaper show higher average return and larger trading volume changes at announcement date than those announced on the corporate website only, Subhadip, (2011), this study raises three questions and attempts to give tent active explanations for them. The first two questions relate to locating, in the consumer’s perceptual space, the comparative position of Indian celebrities and brands on a set of persona attributes. The third question relates to determining the fit between the celebrity and the brands endorsed by his/her. The outcomes propose that consumers differentially rank both celebrities and brands. Specifically, Amitabh Bachchan ranks high on five personality attributes, and brands such as Pepsi and Coke rank high on four personality attributes. The study further shows that although celebrities may endorse several brands, their personality does not fit well with the personality of the brand they endorse. Evidence offered here supports the basic assumptions of the celebrity–product congruence model. Petty (1983), Advertising is heavily used in process of personality creation. This follow rationally from the fact that personalities are particularly important for brand building. They provide unique associations with the brand and these associations’ acts as a stimulus for the customer to link their personality with the brand. McGuire et al. (1999), expertise is the perceived knowledge that the source possesses, while trustworthiness is the degree to which the source is considered to be honest, ethical and believable. Both components are positively related to credibility, but the influence of one component can offset the effects of the other. For example, a spokesperson that is viewed as knowledgeable will be ineffective if he or she is perceived as lacking trustworthiness .The most thoroughly studied source quality is credibility. Research conducted by social psychologists over the past 30 years demonstrates that a source perceived as highly credible is more persuasive than a low credibility sender (Hovland and Weiss, 1951; McGuire, 1969; Hass, 1981).The sources that companies use to present their advertising message typically attempts to project a credible image in terms of competence, trustworthiness or dynamism. Celebrity endorsers are considered to be highly dynamic, with attractive and engaging personal qualities. Audience may also trust the advice given by some famous person, and in

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certain cases, celebrities may even be perceived as competent to discuss the product. Friedman, and Washington, (1975), study showing that celebrities are featured in 155 of prime-time TV commercials. A later survey reported that this proportion was up to 20% (Advertising Age, 1978). The final element is due to the wide-spread attribution that major stars do not really work for the endorsement fee, but are motivated by genuine affection for the product (Kamen 1975), despite the use of famous endorsers, there is little published evidence regarding effectiveness. In one experiment, an advertisement for a fictitious brand of Sangria wine featured an endorsement attributed to either a celebrity (actor -Al Pacino), a professional expert, the Company President, a typical consumer and no source (Friedman, and Washington, 1977). College students read the ad and gave the ad 0-10 scales of believability, probable taste, and intent to purchase. Across these three measures, the celebrity condition produced the highest scores. Since most products aren't special, most advertising does that entire so-called image stuff. There's no information about the product, there's only information about the kind of people who might be inclined to use the product." This view is echoed by Fieldwork, (1991), who has suggested that the subjective experience of using a brand can be different from the subjective experience of using an identical product without the brand assurance. Henry, (1999). Henry indicates that good PSAs are ones that are empathetic, "meaning they build trust with their audience or a sense of caring about the problem". He goes on to say that a good radio PSA is one that creates a mental picture of the subject with sound effects and a strong, credible spokesperson.

In another article, he mentions that more than 11,000 radio stations in the USA, and around two-thirds of them use PSAs. It is also in accordance with Dwane Hal Dean, (1999), he studied the effects of 3 extrinsic cues viz. Third party endorsement, event sponsorship and brand popularity on brand/manufacturer evaluation. It was observed that endorsement significantly affected only product variables (quality and uniqueness) and one image variable (esteem). The third party endorsement hence may be perceived as a signal of product quality. Sheth (1999), argue that perception is shaped by the stimulus characteristics (objects, brands, stories etc.), the context in which it is delivered (social, cultural), and the customer characteristics (knowledge, experience, expertise). It is within these stages that a consumer will either recognize a fit between a celebrity and a product/brand, or reject this connection on different grounds. Memory is structured as an associative network. When this happen the brand and the celebrity become parts of each other's association set. Till and Shimp (1998): Other research suggests that celebrity endorsements might vary in effectiveness depending on other factors like the "fit" between the celebrity and the advertised product. Ellis, (1998), argues that consumers in a high-involvement situation might actually be offended by the use of celebrity to endorse the brand. He also suggests that when there seem to be perceived high differences among competing brands, the consumer will perceive it as a high-involvement situation and put extra emphasis on information about the product more than being influenced by celebrity endorsers.

Need for the Study

There has been lot said and done on celebrity endorsement and but still the need of this study was felt because human buying behavior is a complex in nature and customer within and outside India may differ, in the same way the customer of North India differ in various ways from other part of India (culture, sub culture, language etc).

Objectives of the Study

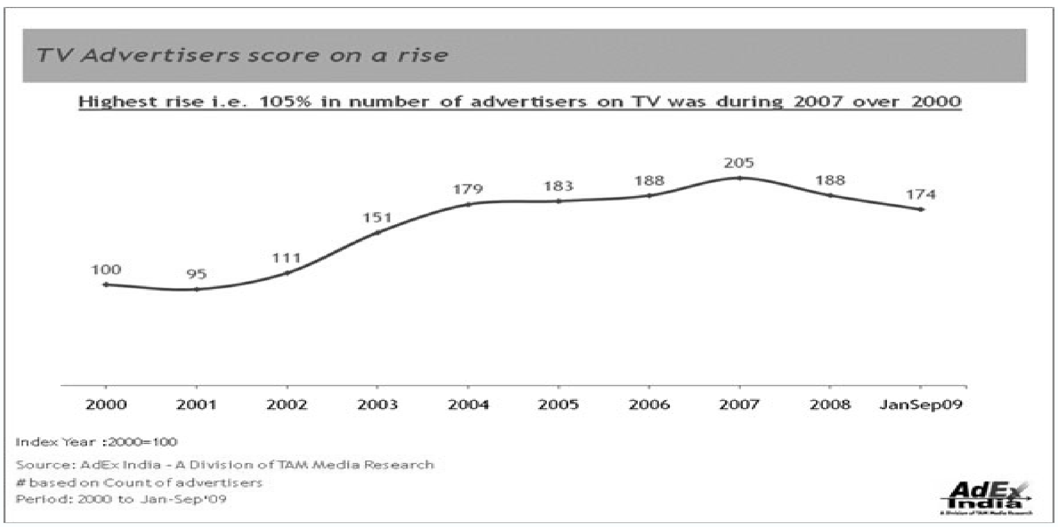
- To recognize the role of celebrity endorsement on consumer buying behavior.
- To study celebrity endorsement as a source of brand-building.
- To find which type of celebrity is more effective.

Research Methodology

The survey was conducted in Lucknow city, Uttar Pradesh, India. Research design used is an exploratory research design. It is an arrangement of conditions for collection and analysis of Data in manner that aims to combine relevance to the research purpose with economy in procedure. The research could collect data either through primary source or secondary source. Primary data was collected from the respondents by using structured schedule and secondary data collected from different articles, journals and magazine which have already been passed through the statistical process. The universe of research has been defined as persons of Lucknow urban area having valid DTH connection. The sample size for the study was 200 persons taken for this research, and to collect the primary data Stratified Judgmental Sampling technique is used and strata's are constructed on demographic characteristics of respondents and data was analyzed by SPSS. Chi-square test is used when the set of observed frequencies obtained after experimentation to support hypothesis.

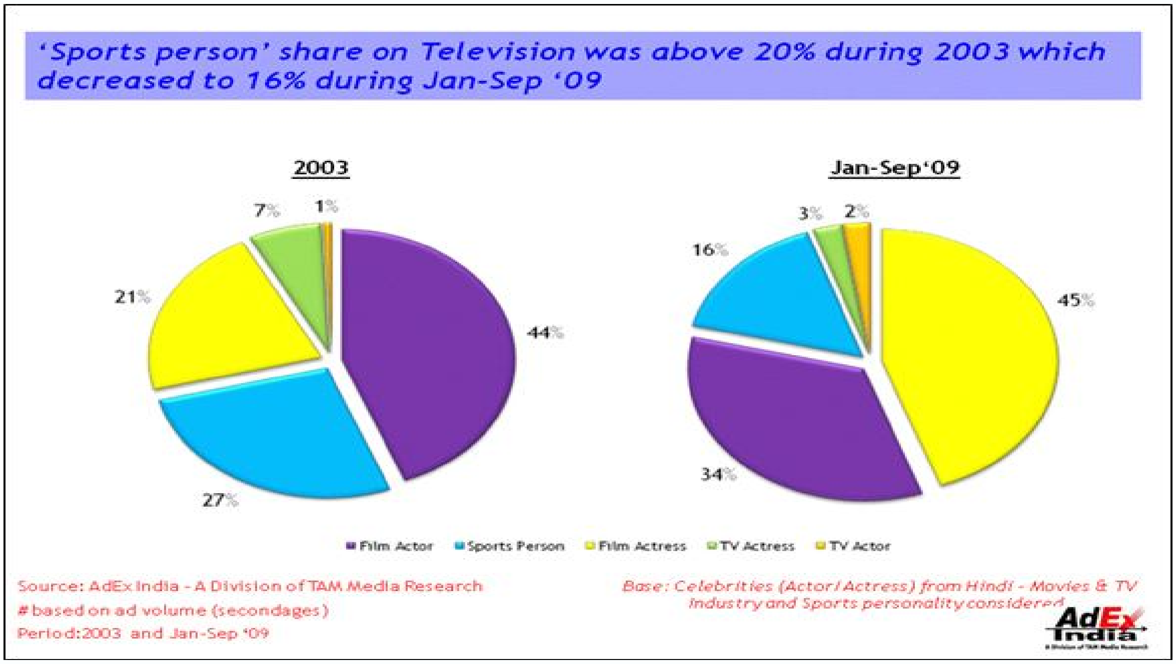
Analysis and Discussion

Tally of advertiser on TV (2000 to 2009) (FIG. 1)



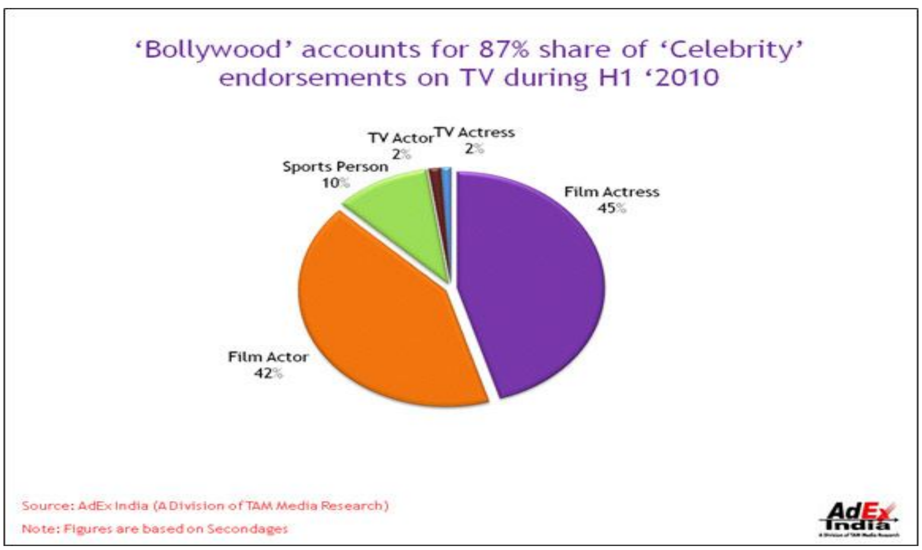
Compared to year 2000, 74% growth in number of advertisers on Television during Jan-Sep '09. On Television, highest rise in number of advertisers was during 2007 compared to 2000 i.e. 105%

Celebrity endorsement on TV(FIG.-2)



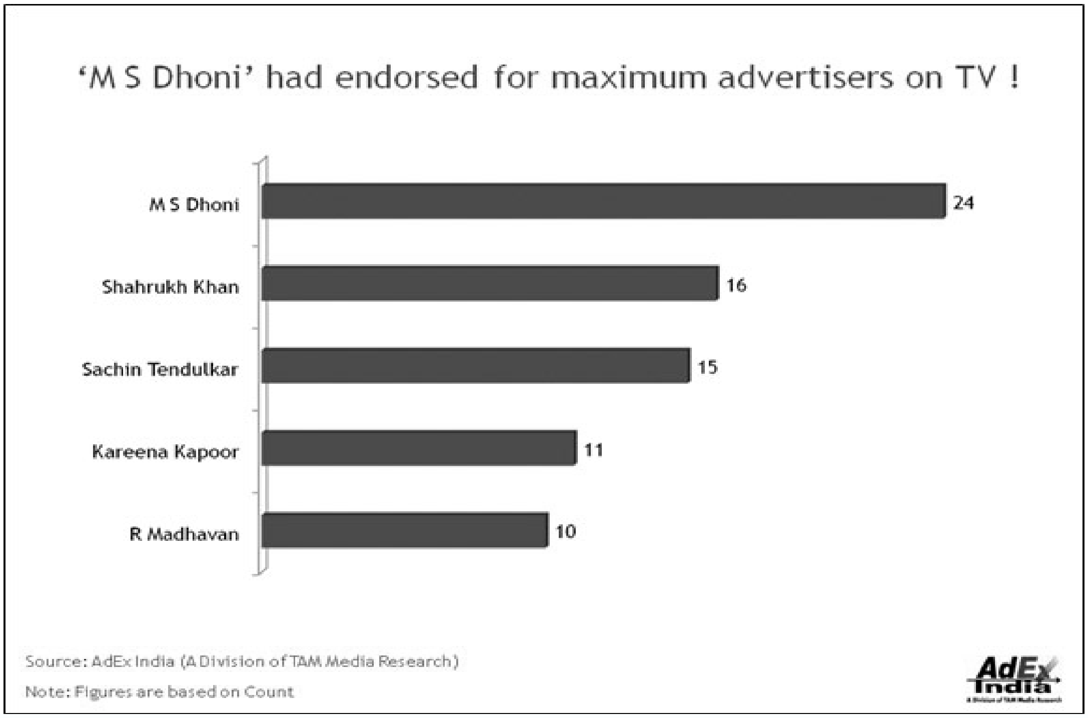
During 2003, 66% share was gathered by Bollywood Actor and Actress together on TV. Nearly 80% share was contributed together by Film Actor and Actress on TV during Jan-Sep '09.

Share of celebrity endorsements on TV by professionals(FIG.-3)



During H1'2010,'Film Actress' leads with 45% share of 'Celebrity' endorsements on TV followed by 'Film Actor' and 'Sports Person' with 42% and 10% share respectively.

Celebrities with maximum number of advertisers endorsed on TV(FIG.-4)



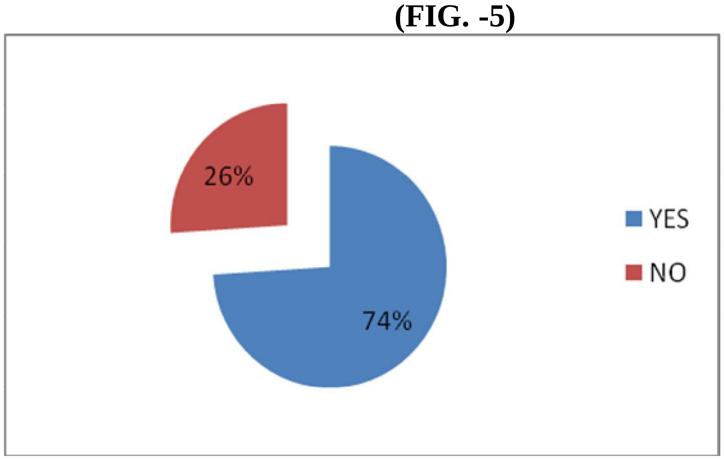
'M S Dhoni' leads among the Celebrities in terms of endorsing number of advertisers on TV during H1 '2010.'Shahrukh Khan' and 'Sachin Tendulkar' were at the 2nd and 3rd place endorsing for 16 and 15 advertisers respectively during H1 '2010.

Total respondent surveyed out of which 74% respondent says that they purchase products which were endorsed by their favorite celebrity and it is concluded that people are influenced by their favorite celebrity, and celebrities have their major impact on influencing buying behavior of customer.

(TABLE-1)

YES	**148**
NO	**52**
TOTAL	**200**

(FIG. -5)

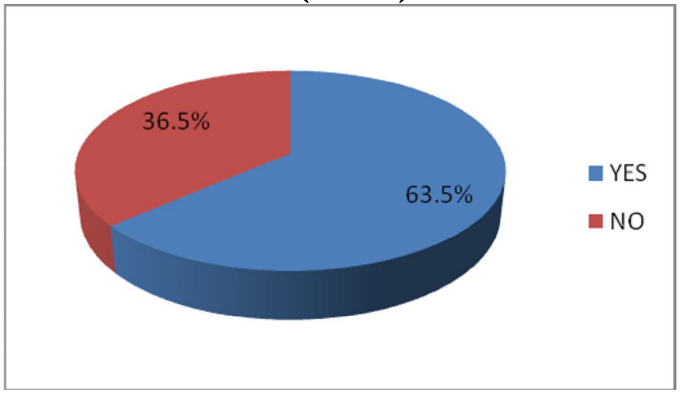


200 respondents had surveyed and out of which 63.5% are agreed that they purchased those products which endorsed by their favorite celebrity and respondents will ready to switch from product or change their product as there favorite celebrity stop endorsing it, this shows that celebrity not only induces the customers to purchase but also motivates for continuous purchase which ultimately proves that celebrity also helps in maintaining brand loyalty.

(TABLE -2)

YES	**127**
NO	**73**
TOTAL	**200**

(FIG. 6)

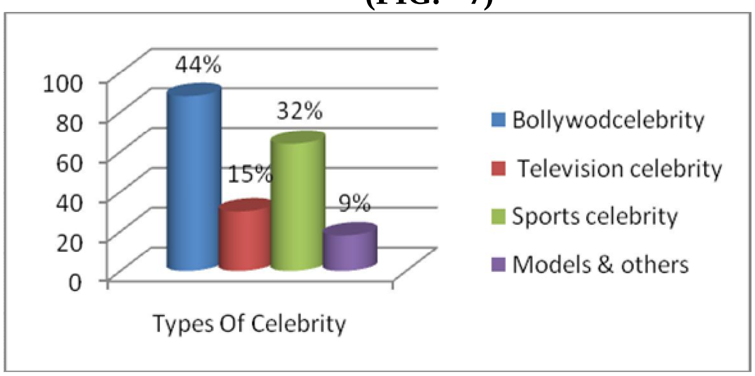


In survey facts were reveled, almost 44% respondent preferred Bollywood celebrities over other types of celebrities.' Sports celebrities with 32% were second most preferred followed by television celebrities with 15% on third place and least preferred were models and others upcoming celebrities with 9%. This shows Bollywood actors and actress have a huge impact on customers and people love to see them in advertisement endorsing products. It can also be concluded that being Bollywood actor/actress they have natural talent of acting and they connect themselves well with the product, and message of persuasion to customer is well communicated because they are better spokesperson than sports celebrity. One major finding also observed during survey which was that female celebrities are mostly preferred over male celebrities.

(TABLE -3)

Bollywood celebrity	88
Television celebrity	30
Sports celebrity	64
Models & others	18

(FIG. - 7)



H1: Celebrity endorsement is not an effective tool of persuasion to facilitate customer to go for purchase.
Alternate hypothesis: Celebrity endorsement is an effective tool of persuasion to facilitate customer to go for purchase.

(TABLE -4)

Scales of measurement	Observed frequency	Expected frequency	O-E	$(O-E)^2$	$\chi^2 = \sum (O-E)^2 / E$
Strongly Agree	68	40	28	784	19.6
Agree	50	40	10	100	2.5
Neutral	23	40	-17	289	7.225
Disagree	42	40	2	4	0.1
Strongly Disagree	17	40	-23	529	13.225
$\chi^2 = 42.65$					

At alpha 0.05 and 4 degrees of freedom, the critical value from the chi square distribution table is 9.49. From the table it is inferred that the Chi-square test statistics shows calculated value 42.65 which exceeds the tabulated value of 9.49 hence null hypotheses is rejected and we reached at the result that our alternative hypothesis is accepted. So therefore it can be concluded that celebrity endorsement is an effective tool of persuasion to facilitate customer to go for purchase.

H2: Celebrity endorsement does not affects purchase decision of retail products.
Alternative hypothesis: Celebrity endorsement affects purchase decision of retail products.

(TABLE-5)

Scales of measurement	Observed frequency	Expected frequency	O-E	$(O-E)^2$	$\chi^2 = \sum(O-E)^2/E$
Strongly Agree	73	40	33	1089	27.225
Agree	49	40	9	81	2.025
Neutral	15	40	-25	625	15.625
Disagree	27	40	-13	169	4.225
Strongly Disagree	36	40	-4	16	0.4
χ^2=49.5					

At alpha 0.05 and 4 degrees of freedom, the critical value from the chi square distribution table is 9.49. From the table it is inferred that the Chi-square test statistics shows calculated value 49.5 which exceeds the tabulated value of 9.49 hence null hypotheses is rejected and we reached at the result that our alternative hypothesis is accepted. So therefore it can be concluded that celebrity endorsement affects purchase decision of retail products.

H3: People like to see sports stars endorsing their brand than Bollywood star.
Alternative hypothesis: People like to see Bollywood stars endorsing retail products than that of sports stars.

(TABLE-6)

Celebrity type	Observed frequency	Expected frequency	O-E	$(O-E)^2$	$\chi^2 = \sum(O-E)^2/E$
Bollywood celebrity	88	50	38	1444	28.88
Television celebrity	30	50	-20	400	8
Sports celebrity	64	50	14	196	3.92
Models & others	18	50	-32	1024	20.48
χ^2=61.28					

At alpha 0.05 and 3 degrees of freedom, the critical value from the chi square distribution table is 7.82. From the table it is inferred that the Chi-square test statistics shows calculated value 61.28 which exceeds the tabulated value of 7.82 hence null hypotheses is rejected and alternate hypotheses is accepted.

Findings

Brand name and celebrity endorser are two factors that people consider before making a purchase intention of retail products. Maximum number of people wants to use that retail product which there celebrity is endorsing that means they have high level of image transfer or fit between product endorsed and celebrities. One of the abstract finding of the survey was regarding people's orientation towards gender biasness. This finding clearly indicated that people like to see female celebrities endorsing retail product than that of male celebrities. Most no. of people believes that celebrity endorsement is an effective mean of persuasion i.e. it conveys the message clearly to the target audience regarding product offerings and persuades them to go for the purchase. It was found that celebrity endorsement have an impact over the purchase of retail products. As large no. of people surveyed confirmed this fact. In country like India were Cricket is a religion and cricketers are worshiped as God. One of the finding revealed that people admire sports player as celebrity but still Bollywood actor/actress are undoubted king/queen of endorsements of products by customers. The results of brand recall were amazing most number of customers was able to recognize the celebrities endorsing the given advertisement. So it showed that celebrity endorsement is an effective tool in marketers hand to identifies there product differently from the common clutter media environment.

Conclusion

Although it is visible that using relatively known personalities as endorsers in advertising campaigns, not only helps the brand to strengthen but also lead to economic advantage too. The choice of celebrities to fulfill that role has become common practice for brands competing in today's cluttered media environment. There are numerous reasons for such extensive use of celebrities, because of their high profile; celebrities may help advertisements stand out from the surrounding clutter, thus improving their communicative ability. A brief evaluation of the existing market condition indicates that celebrity endorsement advertising strategies can, under the right circumstances, certainly justify the high costs associated with this form of advertising. But it would be presumptuous to consider celebrity endorsement as a universal remedy for all problems. Celebrity endorsement if used well, it can makes the brand stand out, stimulate brand recall and facilitates instant awareness. To achieve this, the marketer needs to be really closely controlled in choice of a celebrity. Hence the right use of celebrity can shoot up the Unique Selling Proposition i.e. it can act as a basis of brand building of a brand to new heights; but a cursory orientation of a celebrity with a brand may prove to be claustrophobic for the brand. It was found that people love to see celebrities endorsing their brands so the involvement of common man is pretty high with these celebrities. So marketers should use the right celebrity matching with the product i.e. there should be a "fit" between celebrity and product endorsed. During survey it was found that female celebrities are considered to be better celebrity endorser than that of their male in retail products. Also it was found that people love to see Bollywood stars endorsing their product than sports stars. This is because of the fact in India people are very fond of Bollywood star and there movies, they even copy there getups and hairstyle in order to look alike. At last I just want to say a celebrity is a means to an end, and not an end in him/her.

Limitation of the Study

The time of research was short due to which many facts have been left untouched. The area undertaken in research is some major parts of Lucknow only. But to do a completer research wide area is required, so the area is also a constraint of the study. Sample for the study taken is of only 200 consumers which can also act as a constraint in the study. While collecting data some of the respondents are not willing to fill the questionnaire, so they might not fill their true behavior. This can also be a constraint of the study.

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EMPOWERING WOMEN ENTREPRENEURS THROUGH MICROFINANCE: A WAY TO GENDER EQUALITY

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ABSTRACT
Microfinance programs have the potential to transform power relations and empower the poor—both men and women. Microfinance — the provision of financial services to the poor in a sustainable manner — utilizes credit, savings and other products such as micro-insurance to help families take advantage of income-generating activities and better cope with risk. Women particularly benefit from microfinance as many microfinance institutions (MFIs) target female clients. The present study is an attempt to assess the effectiveness of microfinance practices inempowering women entrepreneurs in district Jammu. Both primary and secondary data were used for conducting study. For primary data 530 questionnaires were distributed to draw response from women entrepreneurs, but 500 responses derived, giving the response rate of 94.8%. Raw data from 500 respondents was purified using factor analysis, t-test, multiple regression, correlation and One-way ANOVA. The results shows positive impact of microfinance on women empowerment through poverty reduction, enhanced living status, improved education of their children, increased household hygiene & reduced social chaos of women entrepreneurs. The present study suggested to improve women's access to other micro-financial services (like remittance, money-transfers, micro-insurance, training programmes, etc.) too so as to empower women in a more better way.

Key words: *Women Entrepreneurs, Microfinance, Economic Empowerment, Social Empowerment and Poverty Reduction.*

1. INTRODUCTION

Traditionally, money-lending institutions such as banks used to lend only to wealthy people as poor were regarded as credit risks. Microfinance has changed the concept of banking by including the women. Microcredit plays a critical role in empowering women, helps deliver newfound respect, independence and participation for women in their communities and in their households. The numerous financial products for the poor all fall under the umbrella of "microfinance" which may offer diversified loan products, including personal savings options, housing loans, insurance packages and social services, including health education and care. Microfinance institutions around the world have been quite creative in developing products and services that avoid barriers that have traditionally kept women from accessing formal financial services such as collateral requirements, male or salariedguarantor requirements, documentation requirements, cultural barriers, limited mobility and literacy.

Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. Today, in the world of business, women entrepreneurship has become an essential movement in many countries and has been accepted in all areas of working. The United Nations report has also concluded that economic development is closely related to the advancement of women. In nations where women have advanced, economic growth has usually been steady.The expansion of microfinance since the1990s has significantly increased women's access to small loans and savings, thereby, contributingnot onlyto poverty reduction, financialsustainability and also a series of 'virtuous spirals' of economic empowerment, increased well-being and social and political empowerment for women themselves, thereby addressing goals of gender equality and empowerment (Fig. 1).

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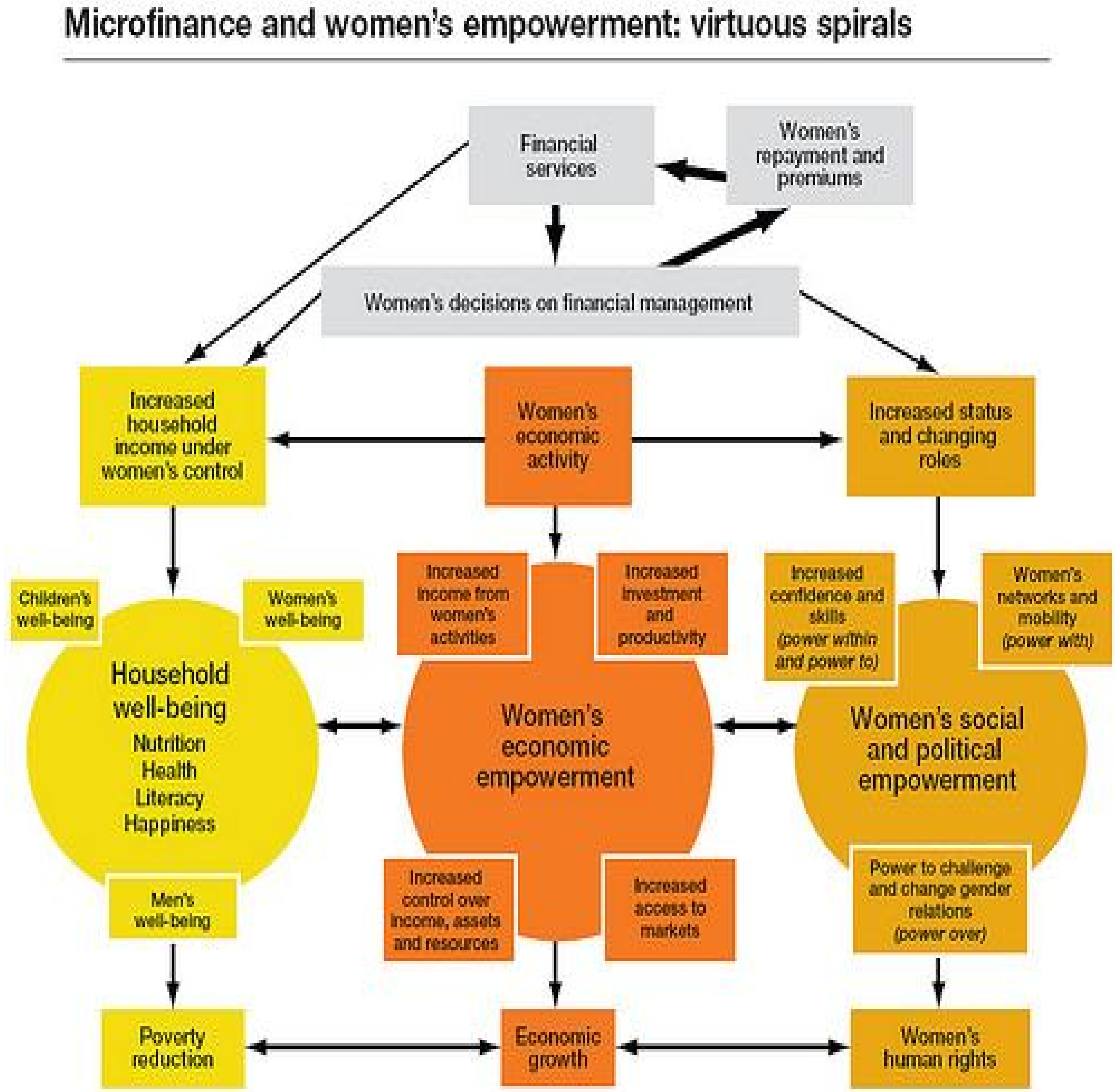
FIGURE 1: MICROFINANCE AND WOMEN'S EMPOWERMENT*



*Source: Linda (2009), "Gender and Rural Microfinance: Reaching and Empowering Women".

2. SCOPE OF RESEARCH

The study is limited to the role of microfinance empowering women entrepreneurs residing in Jammu district of J&K State. For assessing the impact of microfinance three aspects covered were, poverty reduction of women entrepreneurs (Jayshella, 2006; Yahaya, 2011 and Christopher, 2006), social development of women entrepreneurs (Ekpe, 2010; Chowdhury, 2009 and Jayshella, 2006) andtheir economic development (Jerinabi, 2009).

3. OBJECTIVE OF THE STUDY

The shift in development strategy of microfinance institutions has changed the overall scenario from higher growth to inclusive growth through better distribution. The following are the objectives of the present study:

- To access the impact of microfinance in the social and economic development of women entrepreneurs who have limited access to banking services.
- To magnify the impact of microfinance on poverty reduction of women entrepreneurs.

4. LITERATURE REVIEWED

The growing scenario of demand and necessity of microfinance calls for the need of reviewing literature and work carried on by different authors. The crux of different studies on microfinance for women entrepreneurs is as follows:

Linda (2009) traced the problems of women's access to credit which was highlighted at the first International Women's Conference in Mexico in 1975, leading to the setting up of the Women's World Banking network. In the wake of the second International Women's Conference in Nairobi in 1985, there was a mushrooming of government and NGO sponsored in come generating programmes for women, many of which included savings and credit. Then, in the 1990s, microfinance programmes such as the Grameen Bank and some affiliates of the Foundation for International Community Assistance (FINCA) and ACCION International increasingly began to target women, not only as part of their poverty mandate, but also because they found women's repayment rates to be significantly higher than men's.

Singh (2008) identifies the reasons and influencing factors behind entry of women in entrepreneurship. He mentioned the obstacles in the growth of women entrepreneurship are mainly lack of interaction with successful entrepreneurs, social un-acceptance as women entrepreneurs, family responsibility, gender discrimination, missing network and low priority given by bankers to provide loan to women entrepreneurs.

Thoraya (2006) traced that woman entrepreneurs are the primary loan recipients of microfinance. Women are the gateway to household security, as they generally invest more in the welfare of the family than do men. This includes expenses for education, health care, clothing, shelter and household items. Women are also more conscientious savers to protect themselves and their family against times of crisis. They are thus an appropriate target group for mitigating poverty and maximizing the social impact of development strategies.

Jalbert (2000) performed a study to explore the role of women entrepreneurs in a global economy and found that women's business associations can strengthen women's position in business, international trade, contributes to the global economic health, national competitiveness and community commerce by bringing many assets to the global market. Women entrepreneurs have demonstrated the ability to build and maintain long-term relationships and networks to communicate effectively, to organise efficiently, to be fiscally conservative, to be aware of the needs of their environment and possess certain specific characteristics that promote their creativity, generate new ideas and ways of doing things. These characteristics include focus, high energy level, personal motivations, self-employed father, social adroitness, interpersonal skills, etc.

5. HYPOTHESES VARIFIED

On the basis of reviewed literature the following hypotheses were drawn:

Microfinance has up-surged in the recent years as a potential tool for improving economic conditions of the rural woman entrepreneurs (Jerinabi, 2009), helps increasing capital base for enhancing liquidity, economic prosperity, mobilises domestic savings, promote banking culture among low-income group

(Ore and Edward, 2010), generates employment and help small business' to grow (Yahaya, 2011 and Kiiru, 2007).

H_{1a}: *Microfinance is positively related with economic empowerment of rural woman entrepreneurs.*

H_{1b}: *Women entrepreneurs differ regarding economic empowerment dimensions of microfinance.*

Microfinance initiatives enable people with few assets to save, act as a security for loan, protect income, enhance business activities and improve quality of life in particular and economy of the country in general (Ekpe, 2010). Lending without collaterals to women entrepreneurs improves nutritional level, creates sense of self-worth, enhance children's education, reduce household poverty and improve intra-household dynamics and the socio-cultural environment (Chowdhury, 2009 and Kiiru, 2007).

H_{2a}: *Microfinance impacts social development of women entrepreneurs.*

H_{2b}: *Caste-wise women entrepreneurs differ regarding social empowerment.*

Microfinance has emerged as a potential instrument for poverty alleviation and women empowerment. Microfinance aims at the inclusion of poor households to enable them to manage their money properly for their development and reduce certainty to economic shocks (Jayshella, 2006).

H_3: *High and low beneficiaries of microfinance differ regarding dimensions of poverty reduction.*

6. RESEARCH METHODOLOGY

Researchis a way of looking at accumulated fact so that those data become meaningful in the process of discovering new insights into unsolved problems. The present research is undertaken to assess the impact of microfinance on empowerment of women entrepreneurs. The sequential steps followed in the course of present study are:

- **STUDY DESIGN:** The study used both primary and secondary data. Information from secondary sources were collected from Journal of Microfinance, Journal of Rural Development, Journal of Small Enterprise Development, Global Journal of Management and Business Research, International NGO Journal, European Journal of Economics, Finance and Administration Sciences, Journal of Business and Social Science, European Journal of Social Sciences, Journal of International Development and internet etc. For primary data, structured questionnaire were distributed among 1050 rural women entrepreneurs residing in Jammu district of J&K State.

- **UNIT OF ANALYSIS:** The raw data obtained from 1037 women entrepreneurs was purified and reduced through factor analysis on SPSS (Version 17.0) and the Principal Component Analysis (PCA) with Varimax rotation (Kahati and Dhar, 2002), being the best rotation procedure which minimizes the number of items with high loading on one factor, thereby enhancing the interpretability of the factors (Malhotra, 2002). The test of appropriateness of a factor analysis had been purified through KMO measure of sampling adequacy, where the value greater than 0.5 is accepted, values between 0.5 and 0.7 are mediocre, 0.7 and 0.8 are good, 0.8 and 0.9 great and value 0.9 superb (Malhotra, 2002). Further Bartlett's Test of Sphericity, which is also called zero identity matrix, has also been used to determine correlations among the variables (Hair et al., 1995 and Field, 2000).

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Reliability and validity of the constructs was also checked. Reliability was checked through Cronbach Alpha and convergent validity was assessed through the correlation among the items within each construct.

- **SAMPLING:** For contacting rural women entrepreneurs, a list of microfinance beneficiaries' availed microfinance during 2009-11 is taken from manager J&KBank, manager PNB and managerGrameen Bank. After pretesting on a sample of 100 microfinance beneficiaries using convenience sampling method, the final sample size arrived at 531 which were rounded off to 530. Judgement sampling was used to select the respondents, criteria being utilisation of loan in some economic activity and willingness to respond and report favourably.

7. FINDINGS/ANALYSIS

Microfinance aims at assisting communities of the economically excluded to achieve greater degree of asset creation and income security at the household and community level, by promoting self-employment, income opportunities through the creation and expansion of micro-enterprises and increased productivity. The findings on the basis of analysis are:

- 56% of women entrepreneurs who are confident are making good livelihood and household decisions, have control over resources and can use larger loanseffectively to increase their incomes.
- 45% of entrepreneurs felt that increasedparticipation in economic activities may raise incomes which in turn increase long term investment in and productivity as well as their engagement in the market.
- 85% of the respondents perceived that gender discrimination hinders in assessing loans which results in the businesses collapse as theyare forced to purchase inferior equipment or materials.
- 76% of respondents believe that most programmesto which women have access do not give them sufficiently large loans to purchase assets such as land and housing.
- 84% of the beneficiaries have increased their savings and expenditure after availing microfinance.
- 63% of the beneficiaries have enhanced their self-determination, expectation for recognition, self-esteem and career goal that are the key drivers for taking up entrepreneurship by women.
- Only 47% of women entrepreneurs have timely access to formal financial services.
- Educated women entrepreneurs have enhanced their technical skills as compared to illiterate entrepreneurs.
- 89% of them felt that access to formal financial institutions includes large procedural formalities like, filling up of application form, legal charges, bribe to agents, etc.
- Only 39% of women entrepreneurs have their support from their family and are independent in decision-making.

8. SUGGESTIONS

- Most microfinance is overwhelmingly concentrated in urban areas. Effective and sustainable models for delivery of financial services to poor rural people are required to be developed.
- Systems must ensure that increasedaccess to financial services benefits clients and does not lead to overindebtedness or diversion of scarce resources from investment or consumption to interest repayments, savings and insurance premiums.
- Entrepreneurial training programmes in rural areas should be effectively conducted, so as to increase their technical skills, enhance their decision making activity and independence in various aspects of life should be enhanced.

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- Awareness camps for capacity building, skill up gradation and financial literacy of micro-entrepreneurs should be organised periodically by banks and govt. agencies.
- Leadership training programmes be organised for women entrepreneurs in various economic activities leading to job creation, economic development, technological applications and new markets.
- Finance limit to women entrepreneurs be revised periodically so that basic necessities of life like land for house, T.V, refrigerator etc. could be purchased.
- Grievance redressal camps be organised by the banks so that grievances of the women entrepreneurs could be settled promptly.
- Personal and household hygiene should be taken up by the women entrepreneurs so that healthy living is ensured.
- Education and awareness through Women Co-operatives Societies be enhanced for the inclusive growth of women entrepreneurs.
- First generation women entrepreneurs be given loan with minimum or without collaterals so that loan apart for economic activities could also be used for improving nutritional level, education of children, reduction of household poverty, improvement in the intra-household dynamics and the socio-cultural environment.
- Activating women police to check domestic violence on women and bringing them in the ambit of microfinance.

9. LIMITATIONS

Due to paucity of time and resources, following are the limitations of the study:

- The study is restricted to ruralwomen entrepreneurs residing in Jammu district only.
- Due to privacy, bank managers were found to be hesitant in sharing factual financial and detailed information of women entrepreneurs in Jammu district.
- The respondents seem to be unwilling due to lack of interest, negligence, communication problem. The element of subjectivity in interpretation cannot be ruled out in eliciting requisite information.
- Due to the element of subjectivity, respondents are unable to specify the exact amount of increased consumption level of food and beverages, so the tentative estimates are taken.
- Respondents are not free in revealing the appropriate amount of loan taken, outstanding amount, income earned and property increased, so the near to estimates are taken.

10. DIRECTION OF FUTURE RESEARCH

For the future research the following areas could be covered:

- The area could be extended to entire J&K State.
- Other beneficiaries such as agriculturists, male entrepreneurs, NGOs, SHGs etc. could be covered.
- Informal sources of microfinancing could also be included such as, moneylenders, indigenous bankers etc.

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FOREIGN DIRECT INVESTMENT – AN INDIAN PERSPECTIVE

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ABSTRACT

Foreign Direct Investment (FDI) plays a pivotal role in the process of economic development particularly in the capital scarce country, where the domestic base of created assets like technology, skills and entrepreneurship are quite limited. It provides financial resources for investment in a host country and thereby augments domestic saving efforts. It also plays an important role in accelerating the pace of economic growth. FDI provides the much needed foreign exchange to help the bridge the balance of payment or trade deficit. FDI brings complementary assets such as technology, management and organizational competencies and there are spill over effects of these assets on the rest of the economy. FDI is treated as a main engine of economic growth and technological development which provides ample opportunities in accelerating economic development. FDI contributes to exports directly and an enhanced export possibility contributes to the growth of the host economies by relaxing demand side constraints on economic growth. India is also one of the few markets in the world which offers high prospects for growth and earning potential in practically all areas of business. India has consistently been classified as one of the most attractive investment destinations by reputed international rating organizations. Foreign direct investment (FDI) as a strategic component of investment is needed by India for achieving the economic reforms and maintains the pace of growth and development of the economy. The paces of FDI inflows in India initially were low due to regulatory policy framework but there is a sharp rise in investment flows from 2005 towards because of the new policy has broadened this paper puts emphasis on the routes of the FDI cash inflow. With a vast reservoir of skilled and cost-effective manpower, India offers immense opportunities for the foreign companies to capitalize their plans and ideas. As every coin has two sides, the introduction of FDI's has its own positives as well as negatives. This study tries to find out the implications which affect the economic scenario and also measure the level of drawback for economic contribution to India.

Keywords: FDI, Indian perspective, Regulatory policy framework, Routes for FDI.

Introduction

Foreign Direct Investment (FDI) is fund flow between the countries in the form of inflow or outflow by which one can able to gain some benefit from their investment whereas another can exploit the opportunity to enhance the productivity and find out better position through performance. The effectiveness and efficiency depends upon the investors perception, if investment with the purpose of long term then it is contributes positively towards economy on the other hand if it is for short term for the purpose of making profit then it may be less significant. Economic policymakers in most countries go out of their way to attract foreign direct investment (FDI). A high level of FDI inflows is an affirmation of the economic policies that the policymakers have been implementing as well as a stamp of approval of the future economic health of that particular country. There is clearly an intense global competition for FDI. India, for its part, has set up the "India Brand Equity Foundation" to try and attract that elusive FDI dollar. Depending on the industry sector and type of business, a foreign direct investment may be an attractive and viable option. Any decision on investing is thus a combination of an assessment of internal resources, competitiveness, and market analysis and market expectations. The FDI may also affect due to the government trade barriers and policies for the foreign investments and leads to less or more effective towards contribution in economy as well as GDP of the economy. FDI provides the much needed foreign exchange to help the bridge the balance of payment or trade deficit. FDI brings complementary assets such as technology, management and organizational competencies and there are spillover effects of these assets on the rest of the economy. FDI is treated as a main engine of economic growth and technological development which provides ample opportunities in accelerating economic development. FDI contributes to exports directly and an enhanced export possibility contributes to the growth of the host economies by relaxing demand side constraints on economic growth.

Importance of FDI

FDI serves the objectives of both the host country and foreign investors in various ways:

Importance of FDI from Country Perspectives

FDI always brings certain benefits to national economies. It can contribute to Gross Domestic Product, Gross Fixed Capital Formation and balance of payments. There have been empirical studies indicating a positive link between higher GDP and FDI inflows. FDI can also contribute toward debt servicing repayments, stimulate export markets and produce foreign exchange revenue. Foreign direct investment (FDI) is increasingly being recognized as an important factor in the economic development of countries. Besides bringing capital, it facilitates the transfer of technology, organizational and managerial practices and skills as well as access to international markets. More and more countries are striving to create a favourable climate to attract FDI. In addition to reducing the restrictions on the entry of FDI, they are actively liberalizing their FDI regimes. FDI is a major source of economic development of developing and under developing countries

Importance of FDI from Investors Perspective

As host countries are getting advantages of FDI and, the investors are also not far behind in terms of their benefits. FDI assist the investing company in a number of ways. FDI enhances the domestic competitiveness, provides the opportunity of taking significant advantages of international trade technology, contributes towards increasing of sales and profit, extends sales potentials of the existing products, maintains cost competitiveness in the domestic market set-up, enhances possibilities of business expansion, helps in the process of obtaining global market share, reduce the dependency on existing markets, and also stabilize seasonal market fluctuations. The advantages of FDI have been successfully utilized by the global pioneer companies in almost every sector. In doing so the companies always look for the best possible destinations where they can put their money safely and also those places have the highest possibility of generating profits. Talking about suitable destinations for FDI reminds us about few emerging countries in this 21ST century. Talking about emerging economies automatically shifts our focus towards two particular countries which are India and China.

Types of Foreign Direct Investment

1. Green Field Investment

These are direct investment in new facilities or the expansion of existing facilities. Greenfield investments are the primary target of a host nation’s promotional efforts because they create new production capacity and jobs, transfer technology and know-how, and can lead to linkages to the global marketplace. However, it often does this by crowding out local industry; multinationals are able to produce goods more cheaply (because of advanced technology and efficient processes) and uses up resources (labour, intermediate goods, etc).
Another downside of Greenfield investment is that profits from production do not feed back into the local

economy, but instead to the multinational's home economy. This is in contrast to local industries whose profits flow back into the domestic economy to promote growth.

2. Cross-border acquisitions

These occur when the control of assets and operations is transferred from a local to a foreign company, with the local company becoming an affiliate of the foreign company. Unlike Greenfield investment, acquisitions provide no long term benefits to the local economy-- even in most deals the owners of the local firm are paid in stock from the acquiring firm, meaning that the money from the sale could never reach the local economy.

3. Mergers And Acquisition

These occur when a transfer of existing assets from local firms to foreign firms takes place, this is the primary type of FDI. Cross-border mergers occur when the assets and operation of firms from different countries are combined to establish a new legal entity.

Horizontal FDI arises when a firm duplicates its home country-based activities at the same value chain stage in a host country through FDI.

Platform FDI Foreign direct investment from a source country into a destination country for the purpose of exporting to a third country.

Vertical FDI takes place when a firm through FDI moves upstream or downstream in different value chains i.e., when firms perform value-adding activities stage by stage in a vertical fashion in a host country.

Routes for inward flows of foreign direct investment

Foreign Direct Investment (FDI) into India is allowed through two channels:-

a.) Automatic Route

b.) Government Approval Route

They are explained in brief as-

a.) AUTOMATIC ROUTE:-

FDI under automatic route does not require prior approval either by the Govt. of India or the Reserve Bank of India (RBI). Investors are only required to notify the concerned Regional office of RBI within 30 days of receipt of Inward remittances and file required documents with that office within 30 days of issue of shares to foreign investors**.** The automatic approval route of the RBI was introduced to facilitate FDI inflows. However, during post-policy period, the actual investment flows through the automatic route of the RBI against total FDI flows remained rather insignificant. This was partly due to the fact that crucial areas like electronics, services and minerals were left out of the automatic approval route. Another limitation was the ceiling of 51 per cent on foreign equity holding.

b.) GOVERNMENT APPROVAL:-

For the following categories, Government approval for FDI through the Foreign Investment Promotion Board (FIPB) is necessary:-

i.) Proposals attracting compulsory licensing

ii.) Items of manufacturing reserved for the small scale sector

iii.) Acquisition of existing shares.

FIPB ensures a single-window approval for the investment and acts as a screening agency. FIPB approvals are normally received in 30 days. RBI introduced automatic approval system in 1992 to

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facilitate more convenient entry to foreign investors. From 1996, FDI inflows on acquisition of shares have also been included and have been rising continuously since 2004 whereas FDI Inflows through NRI's route have been declining especially since 2002.

Advantages & Disadvantages of FDI in India

India considered as one of the most suitable place for foreign investors despite problem areas like bureaucratic hassle. The country presents a wide area of investment opportunities for the investors and increasingly promoting the country as the place to invest. Over the years it has not been able to attract foreign direct investment at the same pace of China, but the picture is improving for India. The investors cannot ignore India anymore which as the country ahs the potentiality to become third largest economy of the world within short span of time. It is also the second largest among emerging nations. India is also one of the few markets in the world which offers high prospects for growth and earning potential in practically all areas of business. India has consistently been classified as one of the most attractive investment destinations by reputed international rating organizations. With a vast reservoir of skilled and cost-effective manpower, India offers immense opportunities for Business Process Outsourcing (BPO), Knowledge Process outsourcing (KPO) and Engineering Process Outsourcing (EPO). In recent years, the Government has initiated the second generation reforms under which measures have been taken to further facilitate and broaden the base of FDI in India. The policy for FDI allows freedom of location, choice of technology, repatriation of capital and dividends. As a result of these measures, there has been a strong surge of international interest in the Indian economy. The rate at which FDI inflow has grown during the post-liberalization period is a clear indication that India is fast emerging as an attractive destination for overseas investors.

Advantages of FDI in India

- **Huge Market Size and a Fast Developing Economy**

India is the second largest country in the world just behind China in terms of population. Currently the total population is about 1.2 billion. This huge population base automatically makes a huge market for the business operators to capture and also a major part of it is still can be considered as un-served or not yet been penetrated. Therefore FDI investors automatically get a huge market to capture and also ample opportunity to generate cash

inflows at relatively quicker times. The economy of India is also moving at faster pace than most of the economy of the world and inhabitants of the country also obtaining purchasing power at the same rate.

- **Availability of Diversified Resources and Cheap Labour Force**

The huge advantage every company gets by investing in India is the availability of diversified resources. It is a country where different kinds of materials and technological resources are available. India is a huge country and has forest as well as mining and oil reserve as well. These are also coupled with availability of very cheap labour forces at almost every parts of the country. From Mumbai which is in the west to Bengal which is in the east there is ample opportunity to set up business venture and location and most importantly labour is available at low cost.

- **Increasing Improvement of Infrastructure**

A lot of research study in India finds out that historically the country fails to attract a significant amount of FDI mainly because of problems in infrastructure. But the scenario is changing. The Indian government has taken huge projects in transportation and energy sectors to improve the case. The projects for developing road transport is worth of $90 billion, for rail it has undertaken several projects each worth of $20 million and for ports and airports the value of development projects is around $ 80 billion. In addition the investment in energy development is worth of $ 167 billion and investment in nuclear energy development is outside that calculation. These huge investments are changing the investment climate in the country and investors will benefit hugely by that.

- **Public Private Partnerships**

Another significant advantage foreign investors experience in India today is the opportunities of PPP or Public private Partnership in different important sectors like energy, transportation, mining, oil industry etc. It is advantageous in several ways as it has eliminated the traditional tirade barriers and also joint venture with government is risk free up to the great extent.

- **IT Revolution and English Literacy**

Today the modern India considered to be one of the global leaders in IT. India has developed its IT sectors immensely in last few years and as of today many leading firms outsource their IT tasks in India. Because of IT advancement the firm which will invest in India will get cheap information access and IT capabilities as Indian firms are global leader. Along with that Indian youth are energetic and very capable in English language which is obligatory in modern business conduction. This capability gives India an edge over others. Foreign firms also find it profitable and worthy investment by recruiting Indian HR.

- **Openness towards FDI**

Recently the Government of India has liberalized their policies in certain sectors, like Increase in the FDI limits in different sectors and also made the approval system far easier and accessible. Unlike the historical tradition, today for investing in India government approval do not require in the special cases of investing in various important sectors like energy, transportation, telecommunications etc.

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- **Regulatory Framework and Investment Protection**

In the process of accelerating FDI in the country the government of India has make the regulatory framework lot

more flexible. Now a day's foreign investors get different advantages of tax holiday, tax exemptions, exemption of service and central taxes. The government also opened few special economic zones and investors of those zones also get a lot of befits by investing money. Apart from that there are number of laws has been passed and executed for making the investments safe and secure for the foreign investors.

Disadvantages of FDI in India

Investing in India definitely has some negative sides as well. Most noticeably India considered as a huge market but a major portion of that is a lower and middle class person who still suffers from budget shortage. The infrastructure of the country also needs to be improved a lot and already it is under huge strain. There are also problems exists in the power demand shortfall, port traffic capacity mismatch, poor road conditions deal with an inefficient and sometimes still slow-moving bureaucracy. The huge market in India is an advantage but it is also very diverse in nature. India has 17 official languages, 6 major religions, and ethnic diversity as wide as all of Europe. This makes the tasks difficult for the companies to make appropriate product or service portfolio. India is not a member of the International Centre for the Settlement of Investment Disputes also not of the New York Convention of 1958. That make life bit difficult for the foreign investors. India still has a heavy regulation burden among other countries, for example the time taken to start business or to register a property is higher in India. Similarly, indirect taxes, entry-exit barriers and import duties have been major disadvantages.

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Conclusion

In this hyper competitive and ever changing business environment no business organization is certain about tomorrow. That forces them to look for new destination and new market to capture. The emerging market of India without any doubt poses suitable choice for those companies. Foreign Direct Investment (FDI) as a strategic component of investment is needed by India for its sustained economic growth and development through creation of jobs, expansion of existing manufacturing industries, short and long term project in the field

of healthcare, education, research and development (R & D) etc. Huge population and huge countryside is certainly making India even more attractive. There are several benefits in investing here like-very bright future, cheap labour and raw materials, sound infrastructure, huge market availability. Efficient human resources, investment protect and also efficient promotion mechanisms. However, factors like teething troubles in regulatory framework and hugely diversified culture in India make life bit difficult for the operators, but the benefits are overwhelming in compare to drawbacks. That is the prime reason India will potentially keep attracting foreign investors and will remain as the most attractive paces to put the money and earn future dividend. There has been a generous flow of FDI in India since 1991 and its overall direction remained the same over the years irrespective of the ruling party. Government should design the FDI policy such a way where

FDI inflow can be utilized as means of enhancing domestic production, savings and exports through the equitable distribution among states by providing much freedom to states, so that they can attract FDI inflows at their own level. FDI can help to raise the output, productivity and export at the overall level of the Indian economy.

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IMPACT OF RECRUITMENT AND TRAINING ON EMPLOYEE PRODUCTIVITY IN INDIAN MANUFACTURING SECTOR

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ABSTRACT
This paper investigates the Effect of Recruitment and Training on Employee Productivity in Indian Manufacturing Sector. A robust manufacturing GDP of India has propelled India amongst one of the top ten industrial economics and given its relatively lower labor cost (compared with global peers), and a growing working populations India is in a unique position to become a manufacturing superpower. Despite these advantages, India's share of global manufacturing GDP has not increased over the past few years owing largely to low people productivity. Other economies in contrast, have captured a bigger share of the global manufacturing pie, riding on enhanced people productivity. The government functioning needs to be more efficient to make Indian manufacturing globally competitive
In this study, purpose a people - focused agenda for Indian manufacturing companies to increase productivity of their workforce and in turn, enhance their overall profitability.

Keywords: Indian Manufacturing Sector, Employee Productivity, Recruitment, Training, Profitability

INTRODUCTION

India's post-independence development plans have emphasized industrialization as a very important instrument for sustained growth. As a result, today in 2004-05, the annual growth rate of industrial production of total industry is 8.9 per cent and higher than country's overall economy growth. Within industrial sector, manufacturing plays an important role in countries economies and its weight is 79.3 per cent out of total industrial sector in 2004-05 (Economic Survey, 2004-05). Manufacturing growth started accelerating in the 1980s and got further stimulus in the 1990s. The key reasons for increasing growth is investment in public infrastructure, gradual reduction in government controls and higher inflow in private investment in 1990s. Despite a steady growth over the several decades, Indian manufacturing faces stiff competition from other developing economies in Asia and elsewhere both in domestic as well as global markets. The important requisite, which is needed for competitiveness is enhancement of productivity
India's potential to become a manufacturing superpower has been discussed time and again this potential is underpinned by the availability of an abundant workforce and labor cost competitiveness the country enjoys. Not surprisingly, the national manufacturing policy has set a target for India's manufacturing sector to increase its share of GDP from 15 percent currently to 25 percent by 2022 9in line with global peers today). Achieving this target will help India become the fifth largest manufacturing nation globally-up from ninth presently.
Despite these advantages, India's share of global manufacturing GDP has not increased over the past few years owing largely to low people productivity. An improvement in people productivity can be beneficial across all levels of an organization. At the employee level, it results in higher wages and enhanced job satisfaction. At company level, the direct correlation between profit and resource productivity has been established through research multiple times. And at industry level, increased people productivity leads to improved skills and better working environment- thus paving the way for higher investments and faster economic growth. Therefore it is critical for the Indian manufacturing sector to work toward enhancing people productivity to achieve the goals it has set for itself.

We purpose a people focused agenda for Indian manufacturing companies to drive a significant increase in people productivity so that they, as an industry, can claim their rightful place among global leaders.

LITRATURE REVIEW

Several studies have attempted to empirically estimate the impact of liberalization on the Indian manufacturing industries. Studies by Ahluwalia, I.J. (1985, 1991) for the period 1959 to 1985 examines total factor productivity (TFP). These studies show that during the two decades of the sixties and the seventies total factor productivity in the manufacturing sector declined. However, there is also a finding that in the first half of eighties productivity growth improved. The dominant source of the acceleration in total factor productivity has been the growth of value added. The measure of TFPG used in the study is derived from a Tran slog production function under the assumption of competitive equilibrium. Balakrishnan and Pushpangandan (1994) study TFPG for Indian manufacturing from 1970-71 to 1988-89. The statistical analysis confirms a turnaround if TFP estimates are derived from the value added single-deflation series. The point however is that if TFP index is derived by double-deflation, there is an absence of an increase in the growth rate of TFP. Das, D. K. (1998) analyzed seventy-six three digit industries Covering the period from 1980-81 to 1993-94. This study found that productivity response to the trade policy reforms is mixed. This study correlated the productivity growth with different measures of trade liberalization. However, the results of this exercise show that in majority of the cases the trade liberalization variable has a statistically insignificant positive relationship with productivity growth. A study by Balakrishnan, et.al. (2000) investigates the trends in productivity growth since 1988-89 using panel data comprising firm-level drawn from groups within manufacturing industry which have experienced the most significant tariff reduction. The sample size is 2,300 firms and 11,009 observations, covering the period from 1988-89 to 1997-98. The study finds no evidence of acceleration in productivity growth since the onset of reforms in 1991-92. A study by Sivadasan, J. (2003) examines the effect of removing licensing requirements, liberalizing foreign direct investment and reducing tariff rates on plant-level and aggregate productivity. The study covers the period from 1986-87 to 1994-94. The study finds that deli censing and other micro-reforms had a significant positive impact on productivity. The study also depicted an increase in mean intra plant productivity level and also in the aggregate productivity growth following FDI liberalization. Studies by Das, D. K. (2001, 2003), Kumari, A. (2001) and Srivastava, V. (2001) point out that TFP growth in the manufacturing sector worsened during the nineties compared with that of eighties while a study on productivity trends in Indian manufacturing undertaken by Unel (2003) has concluded that total factor productivity (TFP) growth in aggregate manufacturing and many sub-sectors accelerated after the 1991 reforms. A study by Goldar, B. and Kumari, A. (2003) estimates total factor productivity (TFP) growth for Indian manufacturing and major industry groups for the period 1981–82 to 1997– 98. This is followed by an econometric analysis of inter-temporal and interindustry variations in productivity growth rates, aimed at assessing the effect of import liberalization on productivity growth in Indian industries in the 1990s. The results of the paper shows that total factor productivity growth in Indian manufacturing decelerated in the 1990s, a Kaur & Kiran 139 decade of major economic reforms in India. Econometric analysis presented in the paper indicates that the lowering of effective protection to industries favorably affected productivity growth. The results further suggest that gestation lags in investment projects and slower agricultural growth in the 1990s had an adverse effect on productivity growth. The analysis reveals that underutilization of industrial capacity was an important cause of the productivity slowdown. With corrections for capacity utilization, the estimated productivity growth in the 1990s is found to be about the same as in the 1980s. A review of literature is essential to place the study in proper perspectives, to identify the gaps and not to duplicate the same work. After reviewing the literature it can be concluded that there are certain research gaps in the earlier studies. Most of the studies done so far are aggregative or if disaggregation has been done, the coverage is not till 2002-03 or it is over some periods of time and not for the whole of the period. Existing studies have focused upon measurement of partial and total factor productivity or entry aspect of firms.

In this study, we purpose a people - focused agenda for Indian manufacturing companies to increase productivity of their workforce and in turn, enhance their overall profitability

OBJECTIVE OF STUDY

1. To identify the productivity performance of Indian manufacturing sector.
2. To investigates the Effect of Recruitment and Training on Employee Productivity in Indian Manufacturing Sector.
3. To woo the students to understand the potential of manufacturing career.
4. To suggest measures for improving productiveness in manufacturing sector

RESEARCH METHODOLOGY

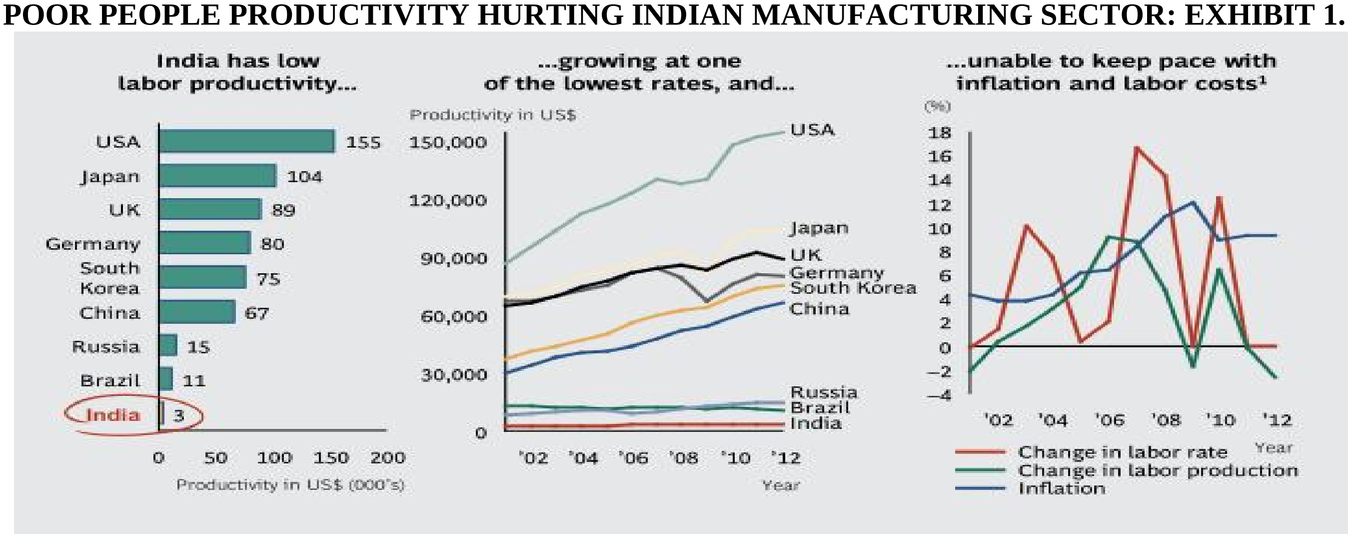
Indian manufacturing sector is facing the problem of low people productivity due to which India's share of global manufacturing GDP has not increased over the past few years. Keeping this problem in mind this study collects data regarding people productivity in manufacturing sector. Secondary Data has been used in this study. The data & facts were taken from many journals, periodicals, published materials, and internet also. GMAC jobs trend outlook 2012, Report by national Skill Development Corporation, titled "human resource and Skill requirements in the Education and Skill development Services Sector, Indian census report on population estimates, 2006, Deloitte global manufacturing competitiveness report 2013.Data for 2012 has been collected from oxford Economic database. GDP estimates from oxford Economics, and assuming 15% manufacturing share in GDP.

EMPLOYEE PRODUCTIVITY

Productivity is defined as a measure of quantifying the output against the amount of input. It expresses the relationship between the quantity of goods and services produced (output) and the quantity of labor, capital, land, energy, and other resources to produce it (input).

.The only meaningful measure of industrial competitiveness is productivity and hence this topic is widely discussed especially in the manufacturing sector due to its solid link to the organizational profitability.

POOR PEOPLE PRODUCTIVITY HURTING INDIAN MANUFACTURING SECTOR: EXHIBIT 1.1



Sources: Oxford Economics; China National Stats Website, BCG analysis.

Note: Real GDP in US$ has been considered for all the countries. The GDP is at 2005 prices. Labor productivity is defined as GDP per employee. Data in this graph is for India only.

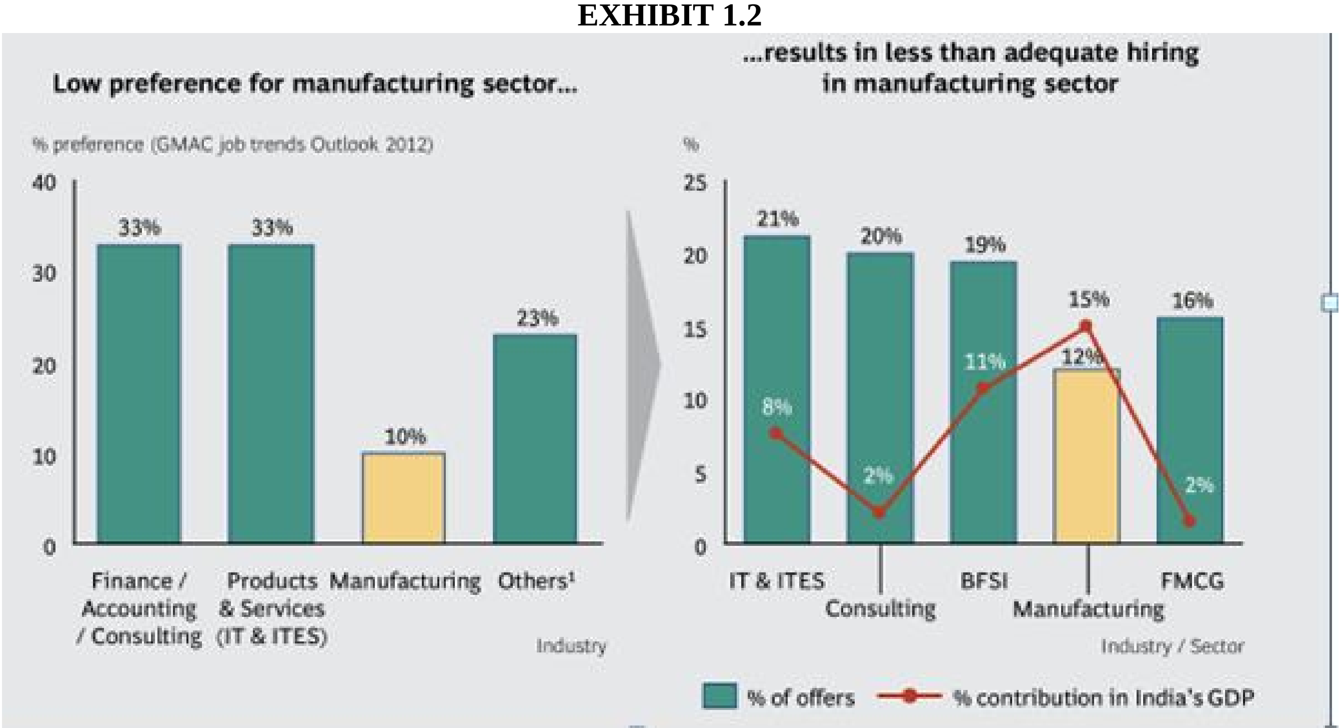
However, as evident from Exhibit 1.1, Indian Manufacturing still strives for requisite levels of people productivity, which is the lowest among peer nations .A faster rate of increase in inflation and labor costs has impacted the profitability and efficiency of Indian manufacturers' operations.

It is noteworthy, that apart from improving manufacturing efficiency, enhancing people productivity has a cascading effect at multiple levels "Increased productivity leads to a wealthy society" 1.Safer environment for business. 2. Improved skilled worker. 3. Higher investment. 4. Economic growth. 5. Improved regional and global competitiveness. 6. Better quality of work and products. 7. Higher revenues. 8. Improved profitability. 9. Higher wages/ performance bonus. 10. Improved job satisfaction

MANUFACTURING SECTOR UNABLE TO SECURE RIGHT SHARE OF TALENT

Low student preference hurting manufacturing sector's ability to attract right talent Exhibit 1.2 lists down some of the key factors responsible for this trend: Poor job offering: as seen in Exhibit 1.3, the two most critical discomforting factors cited by students–salary and job location—relate to poor job offerings. In order to woo the right candidates and get recognized as "recruiter of choice", manufacturing companies will have to work not only on campus presence, but also on the job profiles offered.

EXHIBIT 1.2



Sources: GMAC jobs trend outlook 2012

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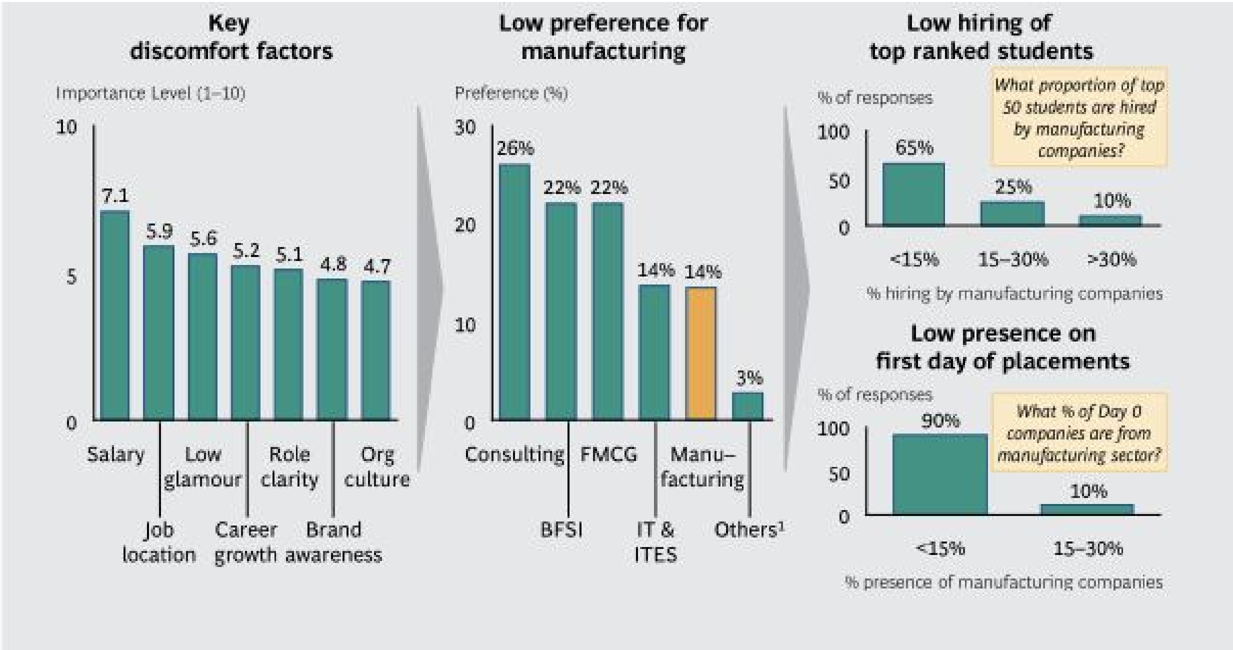
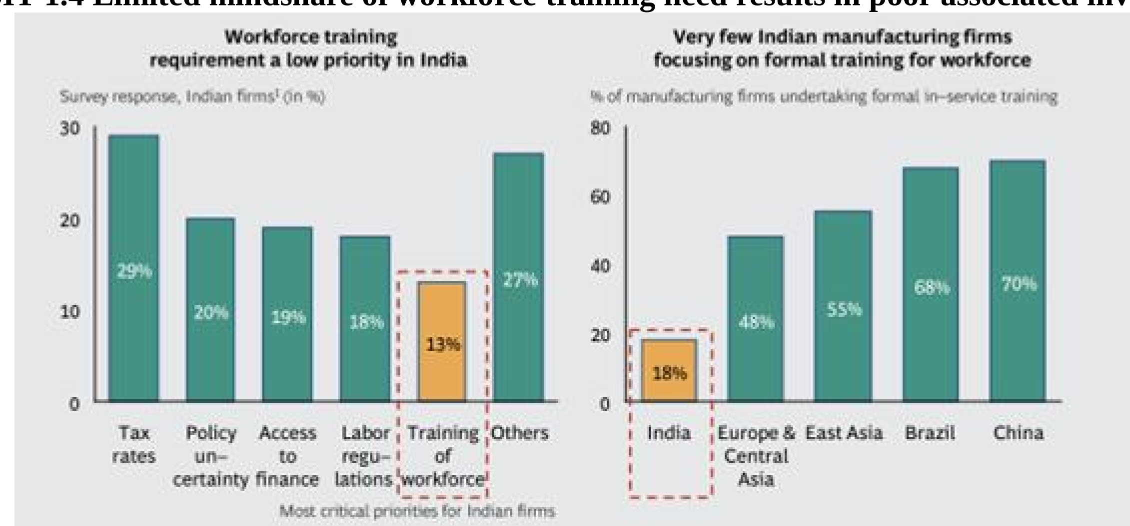
EXHIBIT 1.3 LOW STUDENT PREFERENCE FOR MANUFACTURING JOBS



Sources: BCG–CII Campus Survey on Manufacturing Sector, 2013; BCG analysis.
1Others includes primary sectors, construction and real estate, Parma, government and other services sectors.

EXHIBIT 1.4 Limited mindshare of workforce training need results in poor associated investment

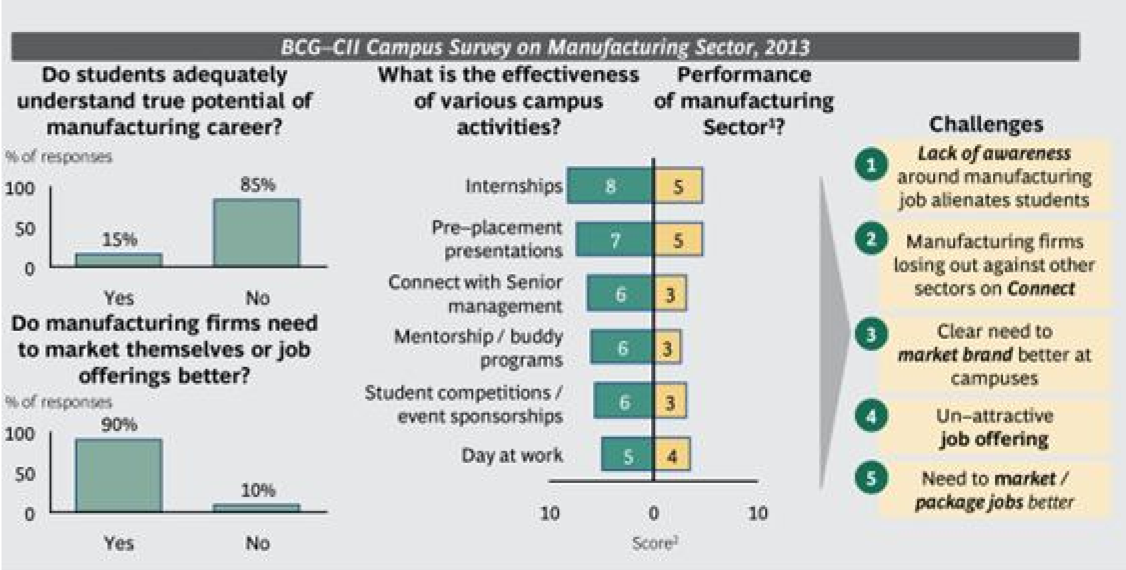


Sources: Prowess; Skill development in India, World Bank report, 2006.
Basis % of firms who cited priority as “very critical” & “critical”, as presented in the research paper by “ Tav & Savchenko”.

BUILDING BRAND AND CONNECT:

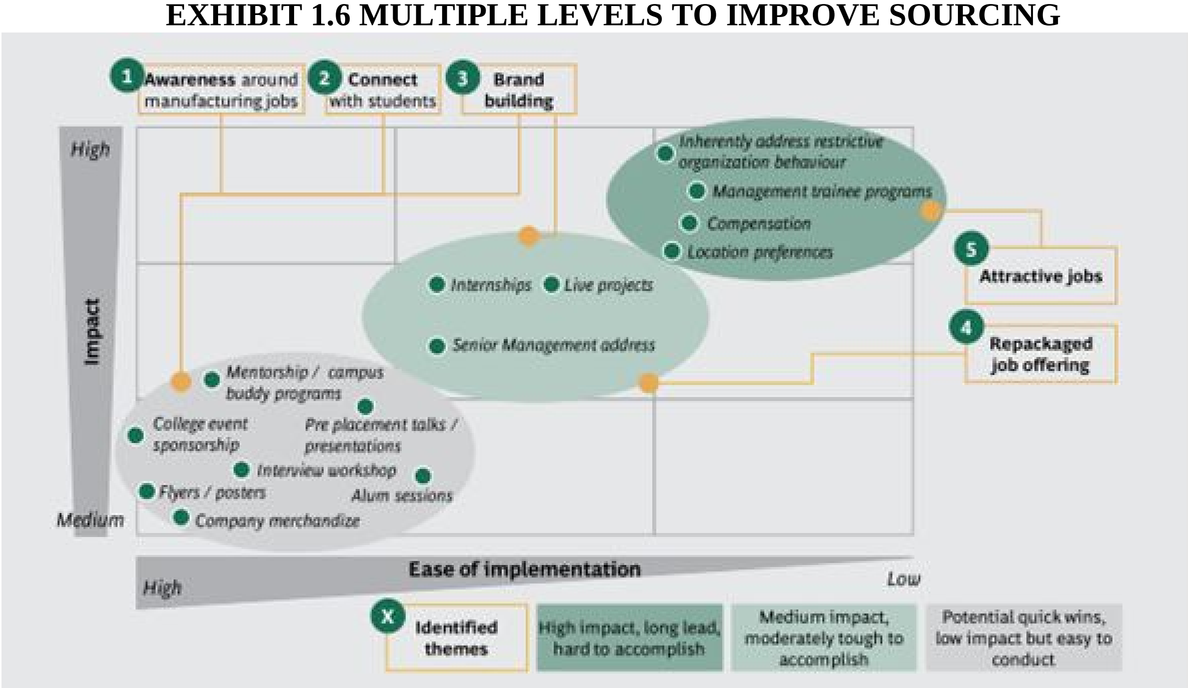
As highlighted in Exhibit 1.5, there is an urgent need for manufacturing companies to better market their job offerings among students by providing adequate clarity regarding the career growth path at their organizations. Manufacturing companies can engage in a number of activities (outlined below) to help establish a strong corporate brand and develop a very close connect with students.

EXHIBIT 1.5 NEED TO PERFORM BETTER ON BRAND BUILDING AND JOB OFFERING



Sources: BCG-CII Campus Survey on Manufacturing Sector, 2013; BCG analysis.1.Performance of manufacturing companies, as rated by survey respondents. 2. Score given by survey respondents, on a scale of 1 to 10, 10 being highs

EXHIBIT 1.6 MULTIPLE LEVELS TO IMPROVE SOURCING



1. Internships: Invest in interns beyond just the defined scope of work, and groom them to become brand ambassadors for the company

2. Live projects: Facilitate live projects as part of the course curriculum to further engage with students

3. Leverage alumni: Encourage alumni of a given college / university working at the company to conduct informal interaction sessions with students, to spread the right word

4. Connect with senior management: Facilitate a channel of communication with the company's leadership, and provide a peek into the organization's culture.
5. Pre–placement talks: Provide an avenue to students to learn as much as they need to, about the jobs on offer, and various other details such as career potential, role/ profile, etc.
6. Mentorship / buddy programs: Foster an environment for fresh graduates to learn on–the–job aspects of a particular work function and to familiarize themselves with the role, the company, its people, and the wider industry
7. Interview workshops: Enable students to prepare themselves for on–campus interviews in the best possible manner
8. Sponsorships: Sponsor campus events in order to create a positive impression in students' minds.
9. Merchandise, flyers / posters: Hand out company–branded merchandise to create a brand recall in students' minds Brand building, student connects and awareness–creation activities are relatively easier to implement. These factors will have to be kept in mind to get the best out of the campus placement process. In the longer term, manufacturing firms must work on developing a more conducive working atmosphere, providing better employee experience, and repackaging job offerings to suit student expectations. Once these measures are implemented, companies will also need to assess how best to market the improved job offerings to students.
10. Organizational hierarchy: Address, at a fundamental level, challenges associated with a restrictive, hierarchical organizational structure
11. Career growth: Clearly map out career growth path for the job role under consideration
12. Fast–track programs: Develop and conduct fast–track programs for management trainees and future leaders
13. Reduce job monotony: Build in creativity and variety in work profiles through job rotations (both departmental and functional)
14. Highlight plant location benefits: Plant location may cause some students to turn down jobs in the manufacturing sector. Companies need to highlight inherent benefits of plant location, such as plant townships, higher savings, self–sufficient
Campus, etc.
15. Location preferences: Provide flexibility on location preferences
16. Non–monetary benefits: Offer non–monetary benefits such as employee discounts, cheap loans, company transportation, flexible working hours, facility to work from home, etc. to provide higher net savings for employees The best way forward for any organization would be to identify, based on what suits it best, an appropriate mix of brand building, student connect and job offering (Exhibit 1.6).

LIMITATION:

1. Lack of awareness of manufacturing jobs.
2. Need to perform better on brand building and job offering
3. Poor people productivity.
4. Poor recruitment and training procedure.

SUGGESTIONS:

1. Campus recruitment procedure should be adopted.
2. India should woo manufacturing sector.
3. People should be given higher wages and enhancing their productivity.

CONCLUSION:

India, with its large working population and low labor costs (or substantial labor–cost competitiveness), is at a distinct advantage, and can grab a lion's share. However, poor people productivity holds India back. If the right levers are put in place, India can efficiently utilize its "demographic dividend" and create a long–lasting leadership role for itself in the global manufacturing sector. In order to achieve this goal, corporations and regulators would need to come together and create a feasible environment for growth. The industry will also have to change its mindset, and transform its "attitude" with respect to in service trainings and employee engagement. If we fail to act now, we could lose out to neighboring competitors. Over 65 percent of Indian firms face difficulty in filling job vacancies with rightly skilled work force this is especially discomforting when compared with corresponding figures of only 15 percent and 20 percent for their counterparts in UK and France, respectively. In the absence of any concrete measures to stem the rot, this widening skill gap is bound to become a major limiting factor in manufacturing sector's target of 25 percent share of GDP by 2022. Hence, it is very important for the government and the industry to collaborate on putting in place a robust plan for skilling and training.

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KISAN CREDIT CARD: A WAY AHEAD FOR INCLUSIVE AGRICULTURAL GROWTH

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Abstract
Financial inclusion is delivery of banking services at an affordable cost to the low-income groups who tend to be excluded. Kisan Credit Card is a pioneering credit delivery innovation for providing adequate and timely credit to farmers under single window, with flexible and simplified procedure, adopting whole farm approach, including the short-term credit, medium term and long term credit needs of the borrowers for agriculture and allied activities and a reasonable component for consumption needs. The present study is an attempt to assess the role of Kisan Credit Card in the inclusive growth of agriculturists and their socio-economic development. Both primary and secondary data were used for conducting study. For primary data 550 questionnaires were distributed to draw response from agriculturists, but only 537 responses derived, giving the response rate of 94.8%. Raw data from 537 respondents was purified using factor analysis, mean, t-test, multiple regression and correlation. It is found that 76% of the agriculturists felt that KCC was very much farmer friendly, 84% of the agriculturists met their credit requirements for crop cultivation for the whole year, KCC holders were more benefitted with regard to the benefits of institutional credit. It is suggested to raise the scenario of KCC in order to increase the ambit of financial inclusion.
Key words: *Kisan Credit Cards, Agriculturists, Access, Availability, Procedural Ease, Usage, Agriculture Development and Financial Institutions.*

Introduction

India has a very intensive financial system with 170 Commercial (including 86 Regional Rural Banks) and 97782 Co-operative Banks (March, 2011). Despite this, rural poor still rely and approach informal sources such as moneylender for their financial needs, which exploit them in many ways. For bringing these poor people in the mainstream of financial system and developing them, the Government of India and the RBI have set up the objective of 100% financial inclusion of the poor and backward people.

In the Indian context, **Rangarajan Committee** (Report of the Committee on Financial Inclusion in India (2008) defines it as: "Financial inclusion may be definedas the process of ensuring timely and adequate access to financial services by vulnerable groups such as weaker sections and low incomegroups at an affordable cost."

Realising the importance of flow of credit to the rural sector and reduction of dependence of farmers on non-institutional sources of credit, NABARD introduced Kisan Credit Card (KCC) scheme, in August 1998-99 with the objective of providing adequate, timely or without any delay, cost effective and hassle free credit support to the farmersfor their cultivation and other needs such as:

i. Short-term credit requirements for cultivation of crops
ii. Post-harvest expenses
iii. Produce marketing loan
iv. Consumption requirements of farmer household
v. Working capital for maintenance of farm assets and activities allied to agriculture like dairy animals, inland fishery etc.
vi. Investment credit requirement for agriculture and allied activities like pump sets, sprayers, dairy animals etc.

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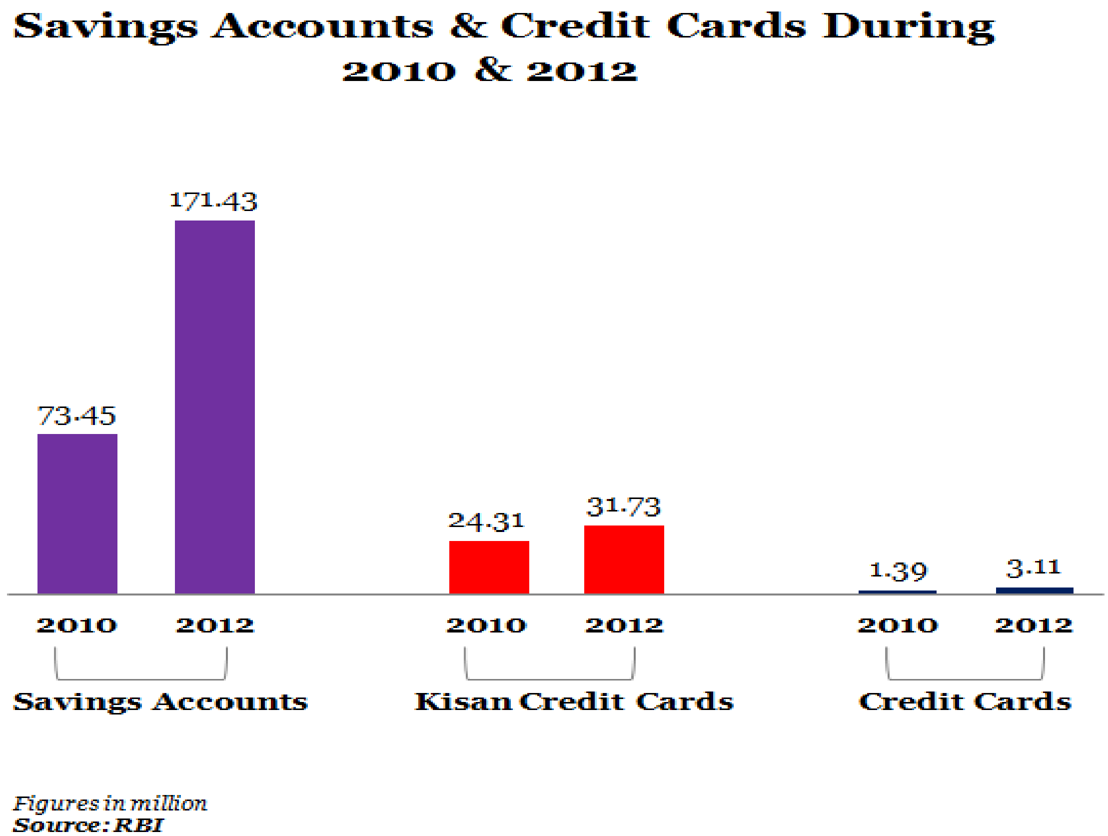
According to the Government of India, over a 100 million cards had been issued cumulatively by March 2011 against 1 crore KCCs issued by December 2000.

FIG 1: KISAN CREDIT CARDS ISSUED DURING 2012*



*Source: www.google.com last visited: 16-1-1

OBJECTIVES AND NEED OF THE STUDY

Around the world, agriculture is a major building block in the achievement of theMillennium Development Goals (MDGs) i.e. to increase agricultural production by 70% by 2050 in order to feed the world. However, agriculture in developing countries is still characterized by low productivity without a renewed effort to accelerate growth in the agriculture sector. So is the objective of the present study and the other objectives are:

i. To study the role of financial institutions in financial inclusion through the issuance of KCCs
ii. The role of KCCs in agriculture development
iii. The role of KCCs in the easy access, procedural ease, timely availability and usage of institutional credit

Literature reviewed

The growing scenario of demand and necessity of KCCs calls for the need of reviewing literature and work carried on by different authors. The crux of different studies on KCCs is as follows:

Chowdhury and Gupta (2013) presented a theory of interest rate determination in the informal credit market in backward agriculture. The market for informal credit is created by the delay in disbursement of formal credit. The delay is controlled by the official of the formal credit agency and he is bribed by the farmer to reduce the delay. The official and the moneylender play a non-cooperative game in choosing the bribing rate and the informal interest rate, respectively. The informal sector interest rate and the effective formal sector interest rate are equal in equilibrium. Agricultural price and credit subsidy policies may raise the interest rate in the informal credit market.

Danish Qureshi (2012) opined that the scheme seems well thought of and full of good intentions. Not only has availability of credit been made easier but has also been made simple to get and operate. Farmers have been given sufficient freedom to decide how to use their credit, while at the same time a set repayment schedule has been provided. However for this scheme to be successful, education of both the farmers and also the bank officials about the scheme is required.

Varik (2010) stated that realising the importance of enhancement of flow of credit to the rural sector and reduction of the dependence of farmers on non-institutional sources of credit, NABARD introduced Kisan Credit Card (KCC) scheme.

Sumatra (2010) mentioned that the introduction of a new credit product called Kisan Credit Card (KCC) in 1998-99 with three different sub-limits viz. production, assets maintenance and consumption needs is a step in this direction to address the challenge.

Hypotheses Verified

Credit plays an important role in increasing agricultural productivity. Timely, easy and cheap access to institutional credit enables farmers to purchase the required inputs, yield-enhancing technologies, machinery for boosting agricultural production and productivity (Saboor et al., 2009; Abedullah, 2009; Nosiru, 2010). Institutional credit requirement for the agriculture sector has increased rapidly over the past few decades resulting from the increased use of fertiliser, biocides, machinery, irrigation, improved seeds & mechanisation and hike in their prices (Nunung, 2005; Abbas, 2003; Siddiqi, 2004 and Nawaz, 2011).

H1:*Kisan Credit Card is significantly predicted by access, usage, awareness, economy and procedural ease.*

Nosiru (2010) found that production credit and tube wells impacted positively and significantly to agricultural output and number of tractors & use of fertilisers also contributed positively but insignificantly because of their inappropriate use. Agriculture credit increases productivity and promotes living standard by alleviating poverty of small scale farmers (Okunmadewa, 2003). The KCCs enables poor farmers to employ higher resources and capacity utilisation for increasing output and hence income, in this way poverty in rural areas is reduced (Olagunju, 2007; Saleem, 2012; Umar & Ali 2002; Balisacan, 2001; Kouser, 2009 and Naseem, 2009).

H2a:*There is a positive correlation between Kisan Credit Card and agricultural development.*

H2b:*Agricultural Development leads to social and economic development of farming community.*

H2c:*KCC holders and non-KCC holders differ with regard to availing the benefits of institutional credit.*

Research Methodology

Research can be defined as the search for knowledge or as any systematic investigation, to establish novel facts, solve new or existing problems, prove new ideas or develop new theories, usually using a scientific method and human intelligence. The present research is undertaken to assess the role of KCCs in the agricultural development. The sequential steps followed in the course of present study are:

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Study Design

The study uses both primary and secondary data. Information from secondary sources were collected from Indian Journal of Agriculture Economics, Business Standard, Economic and Political Weekly, International Journal of Arts and Commerce, Financing Agriculture, The Indian Economic Journal, NABARD Newsletter and International Research Journal. For primary data structured questionnaires were distributed among 550 agriculturists of Jammu district only. Out of 550 agriculturists 200 were Non-KCC holders and 250 were KCC holders.

Sampling

For contacting agriculturists, a list of the same was obtained from ADB (Agriculture Development Bank). After pretesting on a sample of 50 farmers, a sample size obtained was 552 which rounded upto 550. Judgement sampling was used to select the respondents.

Results

After applying various tests and survey the following results are found:

i. 50% of the agriculturists felt that KCC provides easy access to institutional credit.
ii. 65% of the agriculturists felt that informal sources of finance are more convenient way to have an access to the agricultural credit.
iii. 45% of the farmers reported that KCC helps them to go through the least possible procedural formalities.
iv. 30% of the farmers were not aware from the institutional credit facilities available for them.
v. 55% of them were not aware about how to make beneficial use of the KCCs.
vi. The credit limit for KCC is not fixed on realistic basis by the banks.
vii. All KCCs holders were not covered under PAIS scheme.
viii. There are only few Krishi Vigyan Kendras in Jammu District.
ix. 63% of the farmers reported that KCC do not help them to buy all the agricultural inputs at concessional rates.
x. 75% of the farmers reported negatively towards post-harvest infrastructure facilities like, cold storage, reefer vans, rural godowns etc.
xi. Only 50% of the farmers reported the enhancement of social and economic status.
xii. There is lack of agro-clinic and agri-business centres in the State.

Suggestions

On the basis above findings the following suggestions are made:

i. Credit should be made hassle free and at a cheaper rate of interest.
ii. Post-harvest infrastructure facilities viz, cold storage, reefer vans, processing units, rural godowns etc. need to be established and should be provided at concessional rates to the KCC holders.
iii. KCCs should include minor irrigation structure like shallow tube wells and manually operated shallow tube wells.
iv. State govt. and banks may consider giving proper advertisement in print and T.V about different schemes of govt. and the facilities with the banks.
v. The financing banks may arrange increasing number of awareness programmes /workshops for farmers.
vi. Agro-clinic and agro-business centres should be opened in each block and should provide help to the farmers.
vii. All KCCs should be brought under PAIS.

viii. KCC holders should not be hindered by the long procedural formalities involved in the availing of loan.
ix. Farmers should be made alert about the negativities of informal sources of finance.

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PERFORMANCE EVALUATION OF BSE-STOCKS AND SENSEX: AN EMPIRICAL ANALYSIS

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The performance of a script or an index is often evaluated in terms of the return it generates, relative to the risk incurred. The Sharpe ratio has been widely used to evaluate the performance of a fund or an index. Using Sharpe measure we can compare the fund's return with certain pre-designated market index. A similar approach is made in using the Sharpe measure for generating an optimal portfolio using the selected scrips. In this paper, the authors have developed optimal portfolios from top 30 companies of BSE for recent 1,2 and 3 year time periods and compared their performance with the benchmark index – BSE Sensex. For this, the cut-off methodology as described in Sharpe's Optimum Portfolio Model has been used. By using this methodology, portfolios with the minimum variance per unit of expected return have been generated. A comparison of the portfolios generated with the BSE Index shows significant reduction in risk and gain in return, thereby, validating the model.
Key Words: *Sharpe Model, Sharpe Ratio, Optimal Portfolio, Cut-off method, BSE Index*

Introduction

Stock market investments have become an increasing part of investment portfolios. With a plethora of information available via various sources, the individual investor has become too much confused with the investment data. One of the major decisions for the investor has been the need for selecting right stocks for investment.

Thus, it has become quite important to evaluate the performance of a script or an index. The performance can be evaluated in terms of expected return and variance. Various methodological studies were developed earlier for evaluating the fund performance. Here, the cut-off methodology developed by William F. Sharpe for generating an optimal portfolio has been used and subsequently, the comparison of the performance of optimal portfolio with the Sensex and individual scripts has been made.

Literature Review

In deriving the Capital Asset Pricing Model, Sharpe, Lintner and Mossin assumed expected utility (EU) maximization in the face of risk aversion. The article written by Markowitz (1952) gave rise to Modern Portfolio Theory. To avoid problems such as difficulty in input data, educating portfolio managers and time-cost consideration, using single index model and generating mean variance structure have become famous (Elton, et.al.,1976, 2003).

Frankfurter (1976) studied the effect of 'Market Indexes' on the ex-post performance of the Sharpe portfolio selection model. He selected three different indexes (GMI, S&P 425, DJIA) to test the hypothesis that dissimilar indexes (with respect to their construction) will produce different portfolios when used as a proxy for the 'common factor' in the Sharpe portfolio selection model. The study concluded that on an ex-post basis all portfolios did as well as the 'market' in terms of realized returns.

Chen and Lee (1981) derived the statistical relationships between the estimated Sharpe performance measure and its risk proxy in accordance with the statistical distribution theory. They concluded that this statistical relationship is generally affected by the sample size, the investment horizon and the market conditions associated with the sample period selected for the empirical studies. Additionally, they mentioned that a larger sample of historical observations and an appropriate investment horizon can

generally be used to improve the usefulness of the Sharpe's performance measure in portfolio and mutual fund sample size, investment horizon and market condition management.
Sharpe (1975, 1998) himself maintains that the Sharpe ratio is valid for any market climate, since it measures the fund performance by comparing the risk-return profile of a fund in combination with a risk-free asset. McLeod and Vuuren (2004) present another justification of using the Sharpe ratio in both normal and bear markets. According to them, the fund with the highest Sharpe ratio is the fund with the highest probability of outperforming the risk-free asset in each market climate.
Sharpe received the Nobel Prize in 1990 for his model for which empirical evidence is less. Fama and French (2004) argue that the reason could be many simplifying assumptions. Many academicians have applied single index model on real world data and have tried to construct optimal portfolio. Dutt (1998) found that all the stocks selected are bank stocks. He used Sharpe single index model in order to optimize a portfolio of 31companies from BSE (Bombay Stock Exchange) for the period October 1, 2001 to April30, 2003 and used BSE 100 as market index.
Best, et.al.(2007) computed Sharpe ratio for portfolios of corporate bonds, common stocks and small stocks for holding periods from 1 year to 25 years using simulation process and compared it with Sharpe ratios calculated by multi period Sharpe ratio that assumes independent return. The result of the study indicated that Sharpe ratio based on the short term return intervals must be interpreted with care by long term investors since relative portfolio rankings vary with the investment horizon and are different for auto-correlated returns than for independent returns.

Research Methodology

Objectives of the study

I. To compare the performance of optimal portfolio with Sensex on basis of variance and return for one, two and three years.
II. To compare the performance of optimal portfolio with each of the 30 stocks of Sensex on basis of variance per unit of return for one, two and three years.

Sampling

For this study, all the 30 major companies selected belong to the BSE Sensex list. The last three years historical monthly closing prices of these 30 companies and the Sensex are taken from 1st January, 2010 to 30th December, 2012 for the period of three years.

Data Source

The data of closing prices of 20 stocks and the Sensex are collected from the website of Bombay Stock Exchange data zone.

Sample Construction and Cut-off Methodology

The following steps were applied for the construction of optimal portfolio:

Step I. First, the annual mean return and variance of the thirty Sensex stocks and Sensex were calculated. For calculation of annual return and variances, monthly closing price data of three years, i.e., from January, 2010 to December, 2012 was taken. At the end of this step, the values of annual mean return of each security, variance of each security, annual mean return of index (market return) and index variance (market variance) were calculated.
The following formulae were used:
Ri = Ai + βi.Rm

Where Ri is return on the i^{th} stock, Ai is component of security i that is independent of market performance, βi is the coefficient that measures expected change in Ri given a change in Rm and Rm is rate of return on market index.

Step II. Then the beta values of the securities were determined by getting the slope value of changes in the security return with respect to changes in the market return.

Step III. Next, the systematic risk and unsystematic risk were determined by using the following formulas:

Systematic Risk of security i = $(\beta_i)^2 \, x\sigma_m^2$

Unsystematic risk of security i = Total risk – Systematic risk

Here, β_i is the expected change in the rate of return on stock i associated with a 1 percent change in the market return and σ_m^2 is the market variance (also known as the total market risk).

Step IV. Then the Sharpe ratio of each security was calculated by using the following formula:

$$\frac{(Ri - Rf)}{\beta i}$$

Where Ri was the expected return on stock i, Rf was the return on a risk-free asset, and βi was the expected change in the rate of return on stock i associated with a 1 percent change in the market return. The value of Rf is assumed to be 6.5 percent.

Step V. After calculating the Sharpe ratio of each security, they were listed in a decreasing order of the Sharpe ratio.

Step VI. Subsequently, the cut off values – 'Ci' is calculated by using the following formula:

$$Ci = \frac{\sigma_m^2 \sum_{i=1}^{i} \frac{(Ri - Rf)\beta_i}{\sigma_i^2}}{1 + \sigma_m^2 \sum_{i=1}^{i} \frac{\beta_i^2}{\sigma_i^2}}$$

Step VII. All the securities whose excess return to risk ratio were above their cutoff value, Ci, were selected and all whose ratios were below were rejected. The value of C* was identified which acted as the determining factor in this selection. C* was that Ci above which all the securities used in the calculation of their Ci had excess return to betas above Ci and below which all securities not used in the calculation of Ci had an excess return to beta ratio less than their Ci.

Step VIII. The above step provided the securities to be included in the optimum portfolio. The next step requires the calculation of the weightage of each selected security in the optimal portfolio. The weightage of investment of each security was calculated by using the following formula:

$$W_i = \frac{Z_i}{\sum_{j=1}^{N} Z_i}$$

Where

$$Z_i = \frac{\beta_i}{\sigma_i^2}\left(\frac{R_i - R_f}{\beta_i} - C^*\right)$$

Here C^* was the cut off rate.

Step IX. From the above Zi computations, the weightage of each security in the optimal portfolio was found. Then the portfolio variance and portfolio return could be calculated by using the formula:

$$R_p = \sum_{i=1}^{i}(R_i \times W_i)$$

$$\beta_p = \sum_{i=1}^{i}(\beta_i \times W_i)$$

Systematic Risk of the Optimal Portfolio = $\boldsymbol{\beta_p^2 \times \sigma_m^2}$

Unsystematic Risk of the Optimal Portfolio = $\sum_{i=1}^{i} W_i^2 \times (UR_i)$

Here UR_i is the unsystematic risk of the security i and $\mathbf{W_i}$ is the weightage of the security i in the optimal portfolio.

Total Risk of the portfolio (Variance) = (Systematic Risk + Unsystematic Risk) of portfolio

Step X. The value of the portfolio return and variance of portfolio could be compared with any of the security which had been taken initially for the analysis. It was found that the portfolio variance was lower than any of the individual security and portfolio return was higher than any of the security. Therefore, this portfolio could be defined as an optimal portfolio.

Data Analysis

The first part of the analysis was done for a single year, i.e., 2012. The mean return and annual variance for each selected stock and the index- Sensex was computed (Table 1 and 2). In the table no. 3, the stocks were arranged in decreasing order of their Sharpe ratio i.e. their excess return to their beta values. Further, the formula mentioned in the in step IV was used for the computation of cut off values of the stocks. It could be seen in the table no. 3 that, starting from ITC to HDFC bank, the cut off value of each stock was lower than their excess return to their beta values (Sharpe ratio). After HDFC bank, it was found that the cut off value of Mahindra and Mahindra (M&M) was higher than its excess return to beta value and that all the shares lower than the M&M in the table also had higher cut-off value than their excess return to their beta values. Therefore, the stocks which lay in the shaded area in table no.3were selected for constructing the optimal portfolio.

Further, for the calculation of cut-off rate, it was seen in the table no. 3 that C* was 33.31 which was higher than the excess return to beta ratio of those securities which were excluded from the optimal portfolio and lower than the excess return to beta ratios of those securities which were included from the optimal portfolio. Another important point which could be found in the table no.3was that the value of C* was the highest in the table and the next inclusion of a security reduced the cut-off value noticeably.

From the table no.4, the computed values of Z and W of each stock of the optimal portfolio were found. For calculation of Z and W, the formulas mentioned in introduction part Step VII were used. Then the risk and return for the optimal portfolio (table no.5) were calculated.

Similar to the methodology followed above, the other two Analyses for Two Years, viz., 2011 and 2012 and for Three Years, viz., 2010, 2011 and 2012 was carried out (table no. 6 and 7).

Discussion

From all the above calculated values in the data analysis part, it was found that the expected portfolio return for one year was 35.71 percent per annum, for two years was 24.67 percent per annum and for three years was 27.46 percent per annum which were higher than the Sensex return for one, two and three years (See table no. 8). Further, it was observed that the optimal portfolio variance was 137.25, 178.22 and 172.58 for one, two and three years respectively which were lower than the variances of the Sensex return of one, two and three years (see table no. 8) .

If the comparison of the performances of individual stocks with the optimal portfolio was made, then it was found that the risk per unit of return of all the individual stocks were higher than the risk per unit of return of the optimal portfolio for all time periods. From table no. 9 it could be seen that the variance/expected return of the optimal portfolio was lower than the stocks with minimum variance/expected return for all time periods.

Conclusion

From the above analysis of data and discussion on the resultant values it could be clearly stated that optimal portfolio that was constructed using the Sharpe model was really useful in the condition when an investor who was aware about the market trend but was not able to decide the type of securities to be bought and how much to be bought for the investment with the minimum possible risk. In this paper, an easy practical example shows that one has to take the securities for the investment in a specific time horizon. Besides, the investor could easily find the shortlisted securities with their percentage of investment for construction of optimal portfolio which would give the best possible return to him.

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Table 1: Risk & Return of Sensex and Risk Free Return for year 2012

Expected Market Return (calculated average market return from the data)	**22.87**
Variance of Market Return (calculated from the data)	**281.27**
Risk Free Return (last one year bank FD return is taken)	**7.5**

Table No. 2: Risk & Return of 20 Selected Stocks in Sensex for year 2012

Stock	**Beta(B)**	**E(R)**	**Excess Ret(ER)**	**ER/Beta**	**Variance**	**Sys Risk**	**Unsys Risk**	**Variance/ E(R)**
Bajaj Auto	0.78	29.11	21.61	27.65	534.29	171.86	362.44	18.35
BhartiAirtel	0.90	-7.92	-15.42	-17.10	1256.33	228.74	1027.59	-158.69
BHEL	1.60	-4.54	-12.04	-7.54	1561.46	716.08	845.38	-344.20
Cipla	0.44	25.92	18.42	41.65	547.93	55.02	492.91	21.14
Coal India	0.79	16.56	9.06	11.42	301.16	177.35	123.81	18.18
Dr Reddys	0.10	14.74	7.24	70.19	208.83	2.99	205.84	14.17
GAIL	0.57	-7.57	-15.07	-26.31	446.63	92.26	354.37	-59.01
HDFC	0.44	24.30	16.80	38.20	259.41	54.40	205.01	10.68
HDFC Bank	1.08	46.34	38.84	36.12	431.39	325.30	106.08	9.31
Hero Motor Corp	0.92	-0.36	-7.86	-8.54	1053.21	238.69	814.52	-2902.90
Hindalco	1.59	12.07	4.57	2.88	1513.74	708.58	805.16	125.41
HUL	-0.29	25.20	17.70	-60.70	277.30	23.93	253.37	11.00
ICICI Bank	1.94	50.76	43.26	22.35	1319.25	1053.26	265.99	25.99
Infosys	0.24	-16.01	-23.51	-99.54	814.86	15.70	799.17	-50.89
ITC	0.34	35.40	27.90	81.19	323.61	33.21	290.40	9.14
Jindal Steel	2.12	-1.24	-8.74	-4.12	1874.61	1265.49	609.12	-1507.37
L & T	1.93	47.86	40.36	20.95	1388.11	1044.16	343.95	29.01
Mah&Mah	0.72	30.86	23.36	32.63	407.53	144.19	263.35	13.21
Maruti Suzuki	1.93	48.14	40.64	21.10	1501.76	1043.11	458.66	31.20
NTPC	0.94	-2.62	-10.12	-10.81	459.80	246.54	213.26	-175.63
ONGC	0.92	3.97	-3.53	-3.85	415.30	237.35	177.95	104.67
Reliance Ind	1.12	19.14	11.64	10.44	536.26	350.02	186.24	28.01
SBI	1.75	38.66	31.16	17.84	1360.36	858.07	502.29	35.19
SterliteInd	1.78	26.38	18.88	10.59	1400.91	893.61	507.30	53.10
Sun Pharma	0.70	39.23	31.73	45.51	237.90	136.72	101.18	6.06
Tata Motors	2.45	56.03	48.53	19.77	2681.05	1693.90	987.15	47.85

Tata Power	1.66	23.49	15.99	9.65	1009.42	772.65	236.77	42.98
Tata Steel	1.98	24.49	16.99	8.60	1710.99	1098.34	612.65	69.85
TCS	-0.07	8.05	0.55	-8.12	263.05	1.27	261.78	32.69
Wipro	0.56	-1.12	-8.62	-15.36	697.39	88.67	608.72	-621.49

Table No. 3: Calculation of Sharpe ratio and determination of cut off rate for year 2012

Stock	ER/Beta	(ER)B/UR	Bsq/UR	SUM(ER)B/UR	SUM(Bsq/UR)	C
ITC	81.19	0.03	0.00	0.03	0.00	8.33
Dr Reddys	70.19	0.00	0.00	0.04	0.00	9.13
Sun Pharma	45.51	0.22	0.00	0.26	0.01	28.95
Cipla	41.65	0.02	0.00	0.27	0.01	29.49
HDFC	38.20	0.04	0.00	0.31	0.01	30.30
HDFC Bank	36.12	0.39	0.01	0.70	0.02	33.31
Mah&Mah	32.63	0.06	0.00	0.77	0.02	33.26
Bajaj Auto	27.65	0.05	0.00	0.81	0.02	32.87
ICICI Bank	22.35	0.31	0.01	1.13	0.04	29.05
Maruti Suzuki	21.10	0.17	0.01	1.30	0.04	27.68
L & T	20.95	0.23	0.01	1.52	0.05	26.42
Tata Motors	19.77	0.12	0.01	1.64	0.06	25.78
SBI	17.84	0.11	0.01	1.75	0.07	25.09
Coal India	11.42	0.06	0.01	1.81	0.07	24.16
SterliteInd	10.59	0.07	0.01	1.88	0.08	23.12
Reliance Ind	10.44	0.07	0.01	1.95	0.08	22.15
Tata Power	9.65	0.11	0.01	2.06	0.10	20.69
Tata Steel	8.60	0.05	0.01	2.11	0.10	19.97
Hindalco	2.88	0.01	0.00	2.12	0.11	19.47
ONGC	-3.85	-0.02	0.00	2.10	0.11	18.50
Jindal Steel	-4.12	-0.03	0.01	2.07	0.12	17.12
BHEL	-7.54	-0.02	0.00	2.05	0.12	16.52
TCS	-8.12	0.00	0.00	2.05	0.12	16.52
Hero Motor Corp	-8.54	-0.01	0.00	2.04	0.12	16.31
NTPC	-10.81	-0.04	0.00	2.00	0.13	15.45
Wipro	-15.36	-0.01	0.00	1.99	0.13	15.33
BhartiAirtel	-17.10	-0.01	0.00	1.98	0.13	15.13
GAIL	-26.31	-0.02	0.00	1.95	0.13	14.84
HUL	-60.70	-0.02	0.00	1.93	0.13	14.65
Infosys	-99.54	-0.01	0.00	1.92	0.13	14.59

Table No. 4:Computation of Investments in each of the selected stock for year 2012

Stock	B/UR	ER/Beta	Z	W	W (%)
ITC	0.00	81.19	0.06	0.28	27.56
Dr Reddys	0.00	70.19	0.02	0.09	8.99
Sun Pharma	0.01	45.51	0.08	0.41	40.88
Cipla	0.00	41.65	0.01	0.04	3.64
HDFC	0.00	38.20	0.01	0.05	5.10
HDFC Bank	0.01	36.12	0.03	0.14	13.83
		SUM	0.21	1	100

Table No. 5: Computation of Portfolio Returns and Risk for year 2012

Stock	E (R)	W	E (R) * W	Beta	W * Beta	UR	Wsq * UR
ITC	35.40	0.28	9.76	0.34	0.09	290.40	22.06
Dr Reddys	14.74	0.09	1.32	0.10	0.01	205.84	1.66
Sun Pharma	39.23	0.41	16.03	0.70	0.28	101.18	16.91
Cipla	25.92	0.04	0.94	0.44	0.02	492.91	0.65
HDFC	24.30	0.05	1.24	0.44	0.02	205.01	0.53
HDFC Bank	46.34	0.14	6.41	1.08	0.15	106.08	2.03
Expected Portfolio Return			35.71	SUM	0.58	SUM	43.85
Systematic Risk			93.40				
Unsystematic Risk			43.85				
Portfolio Risk (Variance)			137.25				
Portfolio Risk Return Ratio(Variance/E(R)			3.84				
Sensex Risk Return Ratio (Market var/ market return)			12.30				

Table No. 6: Computation of Portfolio Returns and Risk (for year 2011 and 2012)

Stock	E (R)	W	E (R) * W	Beta	W * Beta	UR	Wsq * UR
HUL	25.94	0.39	10.07	0.22	0.08	395.03	59.50
ITC	24.84	0.46	11.46	0.55	0.26	178.59	38.03
Sun Pharma	20.86	0.15	3.14	0.64	0.10	168.96	3.83
Expected Portfolio Return			24.67	SUM	0.44	SUM	101.35
Systematic Risk			76.87				
Unsystematic Risk			101.35				
Portfolio Risk (Variance)			178.22				
Portfolio Risk Return Ratio(Variance/E(R)			7.22				
Sensex Return (Negative Return)			-2.71				

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Table No. 7: Computation of Portfolio Returns and Risk (for year 2010, 2011 and 2012)

Computation of Portfolio Returns and Risk							
Stock	**E (R)**	**W**	**E (R) * W**	**Beta**	**W * Beta**	**UR**	**Wsq * UR**
HUL	26.24	0.23	6.09	0.37	0.08	389.35	20.97
ITC	28.44	0.32	9.12	0.58	0.19	209.47	21.56
Sun Pharma	31.45	0.24	7.57	0.72	0.17	270.77	15.70
TCS	18.42	0.10	1.82	0.35	0.03	261.22	2.54
Bajaj Auto	30.07	0.08	2.37	0.84	0.07	374.51	2.33
Dr Reddys	16.65	0.03	0.48	0.35	0.01	348.08	0.29
Expected Portfolio Return			27.46	SUM	0.56	SUM	63.39
Systematic Risk			109.19				
Unsystematic Risk			63.39				
Portfolio Risk (Variance)			172.58				
Portfolio Risk Return Ratio(Variance/E(R)			6.29				
Sensex Risk Return Ratio (Market var/ market return)			59.74				

Table No. 8:Performance Evaluation of Sensex

Proportion of stocks(%)			
Stock	**1 Year (2012)**	**2 Years(2011-12)**	**3 Years(2010-2012)**
HUL		38.81	23.21
ITC	27.56	46.14	32.08
Sun Pharma	40.88	15.05	24.08
TCS			9.87
Bajaj Auto			7.89
Cipla	3.64		
HDFC Bank	13.83		
HDFC	5.10		
Dr Reddys	8.99		2.87
Total	100	100	100
Portfolio Var.	137.25	178.22	172.58
Portfolio Return	35.71	24.67	27.46
Variance/Return	3.84	7.22	6.29
Index (Sensex)	**1 Year (2012)**	**2 Years(2011-12)**	**3 Years(2010-2012)**
Annualised Return	**22.87**	-2.71	5.89
Variance	281.27	405.36	352.15

Table No. 9: Optimal Portfolio and Individual Stocks

Variance/Expected Return (Risk/Return)			
Year	**One (2012)**	**Two (2011-2012)**	**Three (2010-2012)**
Optimal Portfolio	3.84	7.22	6.29
Stock (stock with minimum risk/return)	6.06 (Sun Pharma)	17.44 (ITC)	11.54 (ITC)

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THE ROLE OF PSYCHO-SOCIAL RISK FACTORS IN CONVERSION DISORDER

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ABSTRACT
Introduction:
In view of the limited studies on the psychosocial environment of patients presenting with conversion disorders, the present study was carried out to study the psychosocial factors in clinical outdoor patients with conversion disorders.
Method:
44 patients of conversion disorder, who presented with 'pseudo seizures' and were diagnosed according to DSM 4 criteria, comprised the sample. They underwent detailed psychiatric assessment. The psychosocial events and factors were elicited by interviewing the patient and his/her family members by a semi-structured interview, which covered details of school history, family environment, psychosexual and other behavior.
Results:
Majority of the patients were in the age range of 19-36 years.l out of total number of patients, females constituted large part (68.18%). Highest number of patients was educated in the range between 7th-12th class, and the maximum number of patients was educated upto class 10.
Conflict with in-laws, disturbed family atmosphere, fear of failure in exams, and romantic relationship problem were the commonest psychosocial contributory factors being present in 15.18%-18.18% (N=7-8) of the cases. Other factors which followed are childhood stressors, conversion disorder/epilepsy in family, marital problems accounting for 9.09%-13.63%, and lastly the factors which contributed for 4.54% were financial stressors and improper treatment at school by teachers (in case of children).
Conclusion:
Stress was apparent in interpersonal relationships, family, and at school. There is an emerging need to educate people about the importance of better care of physical and mental health, handling relations, and excessive sensitization toward the functioning of one's body.
Keywords: *Conversion disorder, Interpersonal conflicts, Pseudo seizures, Psychosocial Factors, Stress*

Introduction:

Conversion is a term introduced by Freud for a hypothetical mechanism by which psychological stress leads to (is converted into) physical symptoms and conversion disorder defined as a term for condition that may result from conversion:- conditions that in the past were called hysteria.

In the diagnostic and statistical manual of mental disorders of the American Psychiatric Association, 4th edition (DSM-4-TR), conversion disorders are included under category somatoform disorders.

The international classification of diseases 10th revision (ICD-10) classifies conversion disorder as a dissociative disorder under the F44 category (neurotic, stress-related & somatoform disorders).

Manchanda and Manchanda (1978) observed that hysteria formed the commonest diagnostic group (71.40%) in their sample.

Deka et al (2007), found that conversion disorder is more common in young adults(57.5%), females(92.5%), and among students belonging to nuclear family of lower income status. A majority of the patients had an obvious precipitating factor, of which family-related (40%) and school related (30%) problems accounted for the major types. Motor symptoms were the predominant presentation (87.5%) with pseudo seizures being the commonest.

Psychological factors, particularly adverse family situations (Grattan smith, 1988), have been implicated in the etiology of conversion disorders in children.
Maqsood et al (2010) concluded that stressors and life events were present in all conversion disorder patients and these stressful life events are important causal factors for conversion disorder.

Material and Method:-
44 patients of conversion disorder, who presented with 'pseudo seizure' at Department of Psychiatry, Santokba Durlabhji Memorial Hospital, Jaipur, Rajasthan, India, comprised the sample. The patients were diagnosed according to DSM 4 criteria (American Psychiatric Association). Only those cases where the family was available to give a detailed history and cooperate for necessary investigation procedures were selected for the study.
Structured Proforma:
Information about socio-demographic, psychiatric history, physical and mental status examination was recorded on a structured proforma.
Interview:
Further enquiry was done by conducting a semi structured interview of the patient and family members as available so as to elicit any major psychosocial events in the past one year.

Table 1

Socio demographic characteristics of sample:-

variable	N	%
Age		
11-18	18	40.90
19-36	26	59.09
Sex		
Female	30	68.18
Male	14	31.81
Education		
Illiterate	4	9.09
Upto 6th class	12	27.57
7th-12th class	20	45.45
Graduation	8	18.18

Table 2

Contributory psychosocial factors:-

	N	(%)
Conflict with in-laws	8	18.18
Childhood stressors	6	13.63
Fear of failure	7	15.90
Conversion disorder/epilepsy in family	6	13.63
Disturbed family atmosphere	8	18.18
Romantic relationship problem	7	15.19
Marital problems	4	9.09

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Financial stressors	2	4.54
Improper treatment at school by teachers	2	4.54

Results:

Majority of the patients were in the age range of 19 to 36 years. Out of the total number of patients, females constituted large part, that is, 68.18%. Results showed that highest numbers of patients were educated in the range between 7th -12th class, and the maximum numbers of patients were educated upto class 10th.

The psychosocial factors/events elicited by interviewing the patients and their family members are listed in the table. Conflict with in-laws, disturbed family atmosphere, fear of failure in exams, and romantic relationship problem were the commonest psychosocial contributory factors being present in 15.18%-18.18% (N=7-8) of the cases.

Discussion:

The present study aimed to investigate in a systematic manner the psychosocial environment of patients presenting with conversion disorder at the Psychiatry Department, Santokba Durlabhji Memorial Hospital, Jaipur, India. This was done by conducting a semi structured interview of the patients and their family members.

Psychosocial factors have been implicated in genesis of conversion disorders. Severe and sudden emotional stress serves to precipitate conversion reaction in predisposed patients.

Maqsood et al (2010) found stressful life events as important causal factors for conversion disorder.

The significant psychosocial factors encountered in the present investigation were related to 9 different areas of functioning.

In the present study, the most common factors leading to conversion symptoms were disturbed family atmosphere (18.18%) and conflicts with in-laws (18.18%). Amongst children fear of failure in exams (15.9%) and improper treatment at school by teachers (4.5%) were found to be the most significant contributory symptoms.

In young adults, problems in romantic relationships (15.19%) most often lead to the conversion symptoms. Childhood stressors (13.6%) like separation of parents or the death of a parent while the patient was still young could have precipitated the symptoms at an older age. In 4 of the cases, the patient had marital conflict (9.09%) with his/her spouse.

Financial problems like inability to get a job and low income were found to be fairly common among the patients being studied.

In 6 of the cases, it was found that atleast one other family member or relative of the patients had similar symptoms similar to the ones being manifested by the patients, thus revealing the importance of observational learning.

It is worth noting that out of total patients included in the sample, majority were females (68.18%), which put them at greater risk than males of developing conversion disorder. Hence, it may be stated that the most important areas in which stress was apparent was in interpersonal relationships, family and school. Parenting skills need to be sharpened and greater attention must be paid by the teachers for the better functioning of the child and adolescents. There is an emerging need to educate people about the importance of better care of physical and mental health, handling relations, and excessive sensitization toward the functioning of one's body.

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MANAGING MARKET AND PRICE RISK IN AGRICULTURE: THE CASE FOR FORWARD CONTRACTS

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There are many marketing alternatives available to agricultural producers today such as spot market sales, forward contracts, basic contracts, and hedging by way of futures and options contracts. Marketing is the process of determining the appropriate product, mix of products, and/ or product characteristics for a pre-determined customer base; spot market sales do not adhere to what are considered good marketing practices; the process in which market information is incorporated into the product choices before planting is not left of chance after harvest. Hence Forward contracts may provide a vehicle for managing market and price risk for many producers. This paper describes the potential benefits of forward contracts, types of forward contracts and specification, contract evaluation process and the potential drawbacks of forwards.

Marketing alternatives

There are many marketing alternative available to agricultural producers today. Options include spot market sales, forward contracts, basis contracts, and hedging by way of futures and options contracts. Due to market fluctuations and producer individual risk preferences, the preferred marketing choice and be a difficult and complex decision process. Markets are determined by many factors, including consumer preferences, and growing conditions, as well as international factors such as trade policy and competition. Additionally, as each marketing alternative has its own risks and return, a producer's willingness to take risks and the ability of the operation to survive an unfavorable outcome constrains the number of viable marketing alternatives.
In other words, a marketing alternative must be appropriate for the individual producer. When selecting a marketing strategy, the producer should evaluate each alternative in terms of net return, income variability, and level of risk (Patterson and makes, 1999). Risk tolerance varies greatly among producers and is primarily a determinate of the producer's age, preferences for risk, equity in the farming/ ranching operation, previous financial commitments, past financial experience, and the size of the potential gain or loss.

Spot markets and the marketing process

Spot market sales are generally considered easy as they have many advantages including the lack of storage costs, interest charges, and complete producer management freedom. However, spot market sales expose the producer to more risks. That is, the producer has no guaranteed buyer, nor is the market price known until auction. Hence, there always exists the possibility of having to sell the product below the cost of production or storing the product for later sale.

As marketing is the process of determining the appropriate product, mix of products, and/ or product characteristics for a pre-determined customer base, spot market sales do not adhere to what are considered "good" marketing practices; the process in which market information is incorporated into the product choices before planting and not left to chance after harvest. Hence, forward contracts may provide a vehicle for managing market and price risk for many producers. In fact, contract production shifts nearly

97% of the market and price risk from produces to intermediaries in the broiler industry (Knoeber and Thurman, 1995).

Potential benefits of Forward contracts

Potential producer benefits from forward contracts include, but are not limited to market security, income stability, access to capital and technology, and improved production efficiency. For example, processors monitor producers through on-site visits from field personnel. Field personnel provide producers whit important information concerning expected yields and technical processes. Experts suggest that the majority of the productivity gains of contracted producers in the hog industry were due to knowledge transfers from processor to producers (key and McBride, 2003) hence,, these field personnel are generally not regarded as spies, but rather interventionists should the producer need assistance in preventing crop damage. However, if field personnel feel the producer is not being sufficiently diligent, her/she may discuss not-renewal or breach of contract implication with the producer (wolf et al., 2011). Forward contracts almost always specify a buyer, quantity, and price for the producers, yield. The buyer, often called the "contractor," is likely a processor, distributor, or other middleman. Contracts are usually entered into before planting.

If the producer is aware of customer quality and quantity preferences, He/ she can make the appropriate productions decisions and decide which management strategies will yield the highest expected profit. Additionally, As the sale price is specified in the contract, the producer can evaluate the potential returns from the contract, as well as estimate the cast flow before he/she enters into the contract. Hence, if the contract does not cover production costs and/or provide an appropriate return to assets and producer labor / management, the producer may decide to reject the contract.

Contractors also benefit from the use of forward contracts through input supply control ("just in time" production), input quality control, improved efficiency, and improved ability to respond to customer preferences. For example, in ht processed potato industry, processors require a steady supply of high quality potatoes to ensure their production goals. High quality potatoes allow the processor to reduce costs and increase production, which naturally leads to increased profits.

Type of forward contracts and specifications

Contracts are normally written by the contractor (processor, wholesaler) and represent the perspective and interest of the contractor. While contracts differ greatly across industries, there are several elements which are normally included. A detailed description of contract terms may resemble the following:

Contract length :- contract length differs across crops and livestock type. It can range from one growing or calving session to multi-year agreements. Although producers may want extended contracts in order to repay facility investments, an extended contract may expose the producer to additional risk. Market and industry conditions change and an extended contract may keep the producer from accepting more advantageous opportunities in later years, or subject the producer to inflationary factors that may decrease the value of the contract over time (martion,1999).

Conditions for delivery: for many crops, an exact quantity, usually in terms of weight, may be specified along with an option for the contractor auto purchase more if desired. For livestock, a range of weight gain and / or the number of livestock is specified. Additionally, a range of delivery dates, as well as delivery. Equipment is specified. For processing potatoes, for example, contractors require that potatoes be delivered in trucks with wood or rubber beads in order to reduce bruising. In some cases, If the crop in not delivered to the contractor by a certain date, the contractor may reserve the right to harvest the crop and charge the cost of harvest to producer. If the contractor is responsible for transportation, a range of pick-up dates may also be specified.

Payment determination:-The contract will state the terms of payment (30- 60, or 90 days) and payment structure in terms of base and bonus payments. In other words. How is “quality” defined and what are the bonus payments/ penalties for each level of quality? For each level of quality? For example, in the processed potato industry, potatoes with higher specific gravity are well formed, smooth, and firm, every. 005 increase in specific gravity[1] will increase the number of potato chips that can be processed from 100 pounds of raw potatoes by one pound (Gould,1999). It is important that bonus payments are determined by factors in which the producer has control; otherwise, there is no incentive for the producer to use effective management or production practices that positively influence product quality. Additionally, the producer may be exposed to risk if risk if he/she is penalized for poor quality as a result of events in which the producer had no control. Performance standards in forward contracts take wither a relative performance or an absolute performance structure. A relative performance structure measures producer performance against his/her peers (other producers under contract). An absolute performance structure measures producer performance against contract standards. The following are examples of absolute performance producer payments:

- Producer payment= (base+ bonus/penalty) * non-culls + culls*cull price
- Producer payment= $.10* (pounds gained) + feed conversion bonus + mortality bonus

Management / production practices: in production contracts, the contractor may participate in making management decision and/or require the producer to adhere to specified production practices. Examples might include planting certified seed or applying USDA approved pesticides/herbicides. Forward contracts usually take the form of either a marketing contract or a production contract. Marketing contracts differ from production contracts in that they do not specify management practices.

Party responsibilities:- The responsibilities of each party should be clearly outlined in the contract. For example, in livestock production, the contract should specify which party supplies the major inputs , as well as which party is responsible for loading and unloading livestock, carrying insurance on livestock and/ or facilities, manure management, and the disposal of dead animal (martin, 1999).

Conditions for contract termination or renewal:-The contract should provide provision for contract renewal and termination, including the term of notice required.

Contract evaluation process

Before entering into a contract, a producer should take steps to evaluate the contract and the contractor. A detailed description of suggested steps is provided below.

Research contractor finances and request References:- upon entering a forward contract, the producer becomes a business partner with the contractor as he/she is now vertically coordinated with the contractor. Whence, the producer must decide it he/she wishes to do business with the contractor. Considerations might include, the contractor’s position and reputation in the community or industry, the satisfaction other producers have has with the contractor and the contract itself, as well as the contractors financial position (martin, 1999). Is the contract financially viable? Will the contractor be in business in 5,10,or 20 years?

Evaluate financial aspects of the contract:- A forward contract will only be advisable if the producer can make money in the contract. The producer should develop an enterprise budget and cash flow statement for the first year of production based on yield and quality expectations. Does the contract provide an appropriate return to assets and producer management and labor?

Simulate best and worst case scenarios : As yield and quality expectations are essentially a best guess, often based on past experience, 5 or 10 year averages, and other factors, the financial outputs created through the use of expectations are only as god as the information behind them. Hence, producers should simulate best and worst case scenarios, often called sensitivity analysis. What are the expected profits from the contract if yield and/or quality values fall 20% below expectations or 20% above expectations?

Seek legal council: As contracts are in most cases legally binding, producers should have legal council review the contract and assess any potential legal risks.

Potential drawback to forward contracts

Due to the quantity specification in forward contracts. Producers may find that they are subject to production risk, the risk of not fulfilling the contract due to unexpected yield shortfalls. In many contracts, the producer will be excused from timely delivery in the case of special circumstance, such as weather damage. However, the producer may not be excused unless the contract specified a geographic area of production (McEowen,1999).

A second drawback is the potential loss of producer freedom in management. Farmers and ranchers are known for their independent spirit ant the high value they place on running their own agricultural operation. The influence of a third party into this process may decrease the producer's quality of life.

A third possible drawback is the ratcheting of quality levels or bonus payment for certain quality levels form one contract period to the next. As contractors are able to gauge producer performance at the end of the contract period, there is incentive for the contractor to one contract with superior producers in the second contract period, as well as decreases bonus payments to certain quality levels (Curtis and McCluskey, 2004).

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AGRICULTURAL MARKETING IN BIHAR WITH SPECIAL REFERENCE TO NALANDA DISTRICT.

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Abstract
Agriculture marketing system in developing countries like India can be understood to compose of two major sub-system viz. product marketing and input marketing. The factor in the product marketing sub system include farmers, wholesales, importers, Marketing cooperative regulated market committees and so on. The inputs sub-system includes input manufactures, importers, related associations and other who make available various form production inputs to the farmers. Agriculture marketing plays an important role in accelerating the pace of economic development in addition to stimulating production and consumption. Agriculture marketing development of region is measured by the strength and efficiency of the linkages established in various sectors to operate the production and business cycle.

Keywords: *Agricultural marketing, problem face-Bihar and Nalanda Economic development.*

1.Introduction

From the very early stages of development of the human society, exchange has become an indispensable part of human civilization. Even before the introduction of the money economy termed as "barter system" based on direct exchange of goods for goods. With the introduction of money as the medium of exchange, there came a change in the self –sufficient stage Economy to market economy of production for the market, Trade, there was both in ancient and medieval India as today; international and overseas and that fairly on a large scale. According to Thomson (1951) the study of agricultural marketing comprises all the operations and the agencies conducting them involved in the movement of farm produced foods, raw materials and their derivatives such as textiles from the farms to the final consumers and the effect of such operations on farmers middlemen and consumers. Agriculture marketing system in developing countries including India can be understood to compose of two major sub-system viz. product marketing and input (factor) marketing. The factors in the product marketing sub-system include farmers, villages/primary traders, wholesalers, processors, importers, exporters, marketing co-operatives, regulated market committees and retailers. The inputs sub-system, regulated market committees and retailers. The inputs sub-systems includes input manufactures, distributors, related association, importers, exporters and other who make available various farm production inputs to the farmers. National commission on agriculture defined agriculture marketing is a process which starts with a decision to produce a saleable farm commodity and it involves all the aspects of market structure or system, both functional and institutional, based on technical and economic consideration and include pre and post harvest operation assembling, grading , storage, transportation and distribution. Agriculture marketing plays an important role in accelerating the pace of economic development in addition to stimulating production and consumption.

2.Agricultural marketing in Bihar , India

Bihar state agricultural marketing board was established on 10^{th} sept 1980 under the Bihar. Agricultural produce markets act. 1960 with an objective to control and supervise the marketing network of sale: purchase, storage and processing of processed or nor processes agriculture animal husbandry and forest produce. There are no agricultural produce market committees in the state since 2006. There are one principle market yards, one or more sub market yards and seasonal purchase centres in each market committee. Bihar state agricultural marketing Board **(BSAMB)** exercises superintendence and control over the agricultural produce market committees (APMC's)

3. Objective of agricultural marketing in Bihar

I. To analyze the various commercialization of agriculture.
ii. To study about marketing agricultural/ production market/ demand oriented.
iii. To suggest price stability.
iv. To providing transparent and competitive market environment.
v. To provide export facilities.

4. Problems of agricultural marketing in Bihar

i. Technology have improved but it has not gone to the rural levels as it is confined to urban areas alone.
ii. There is no organized and regulated marketing system for marketing the agricultural produce.
iii. High post harvest losses.
iv. Inadequate markets and marketing infrastructure.
v. Lack of institutional capacity to deliver proper market services.
vi. Agricultural production not demand oriented.

5. Improvement of Agricultural marketing in Bihar.

i. A separate ministry of agriculture marketing has been created.
ii. Establishing the markets under private sector.
iii. There is no checking practice therefore, the weights and balances used by the village dealers are generally faulty. About 60 per cent of the farmers at village level said that the wheat was overweighed by the village dealers. It is suggested that their weights and balances should be checked properly by the concerned authorities and defaulters should be penalized.
iv. It was observed that the procurement center run by PACS agricultural services and storage corporation (PASSCO) and the food department were lacking transport facilities storage facilities, for their better functioning.
v. The location of the procurement centers is changed every year. It is therefore, suggested that the procurement centers should be permanently located so that the farmers may be sure about sale of their produce at these centers.

6. Agricultural Marketing in Nalanda District

Agriculture is the dominant occupation of the people of Nalanda district, it is not only the main source of livelihood of the overwhelming majority , but also a tradition and a way of life that moulds the socio-economic status of the people. More than half (52.2 percent) of total working population of the district are directly dependent on agriculture for their livelihood. Agriculture has been the most important occupation of the people and provides almost the entire food requirement of the people. This sector also provides raw materials for limited agro-based industries. The nature of agriculture in the area differs from that of then due the differences in physical configuration, climatic pattern, fertility of the soils and differential technological and scientific development. The area having stretch of fertile level of land, well distributed rainfall, fair communication and marketing system also with easy access to modern technology, favours prosperous agricultural activities. Paddy, wheat, potato, onion this district the main dominant crop of. It is the main state food of the people. Economic condition of the people therefore dependent on the production of paddy, wheat, potato and onion. Form their agricultural fields. The methods and implements used in agriculture are of primitive types. But of the late, government has taken up development programs to increase agricultural production in this district thorough innovations and modernization of the agricultural practices.

7. Objectives of agricultural marketing in Nalanda District

1. To analyze the various crops production in Nalanda District.
2. To study about the consumption of chemical fertilizers.
3. To examine about the socio-economic factors of the cultivators.
4. To suggest some remedial measures to overcome the problems.
5. To suggest establishment of post harvest handling centre for vegetables and agro horticultural commercial complex.
6. To provide common facilities for grading, packing, display and sales of the processed food products in the food emporium.

8. Problems of agricultural marketing in Nalanda

1. Raw material monopoly by rival competitors.
2. Lack of basic trick of the business.
3. There are about limited assembling marketing and primary markets and no regulated markets in this state.
4. Road transport is the only means of transport for farm products to distant places as there is limited link in the state.
5. Over cautions attitude of bankers; many projects are delayed which lead to cost over run and project failure.
6. There are limited warehousing and cold storage facilities.

9. Measures for improvement of agricultural marketing in Nalanda District

The above mentioned problems give us a clear picture of a defective agricultural marketing system in Nalanda. A defective marketing makes the farmer to produce only output.

A. **Co-operative marketing**
   In a district like Nalanda where the preponderance of small farmers exists and where the existence of so many problems in respect of agricultural marketing, co-operative marketing would be the only and right solution in this respect formation of co-operatives not only bring the farmers under and umbrella but it also strengthen then to make effective agricultural marketing for their produce.
B. **Public distribution**
   It has great role to play in the field of agricultural marketing. The objective of public distributions system to procure produce directly through its outlets at fair price and to distribute throughout of its activities, the marketing of agricultural produce would be more effective and the farmers as well as final consumers would not be derived of by the presence of too many intermediaries.
C. **Regulated markets.**
   The next important measure is related to the establishment of regulated markets. The objective of regulated markets is to remove ill market practices to reduce marketing charges and to ensure fair prices for the farmers. The regulated market is managed by the committee of representatives form the state government farmers. They issued licences, fix brokerage rates and ensure rate of standard weight.
D. **Storage facilities.**
   Proper storage is an important aspect of agricultural marketing. To carries agricultural produce outside the village, it is necessary to provide adequate storage facilities to hold till better price s

not offered. A proper and adequate storage not only enhance the bargaining power of the farmers but it is also ensuring better prices for agricultural produce.

E. <u>Transport facilities.</u>

An essential requirement is the availability of transport which can carry agricultural produce to markets at low cost, easily and speedily

10. Conclusion

Economic development of region is measured by the strength and efficiency of the linkages established in various sectors to operate the production and business cycle. These are backward and forward linkages constituting financial assistance, transport and communication network for mobility of output in various trade channels. In the interest of public welfare, the government in the marketing system, directly or indirectly, the extent of intervention depends on the objective of government and to the extent of defects and malpractices prevailing in the system. The state government has taken several steps to improve the conditions of agricultural marketing. To organize agri-business effectively is to conduct product specific surveys successfully for ensuring marketability and the type of venture to be set up.

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ATTITUDE OF CONSUMERS TOWARDS GREEN MARKETING

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Abstract

In a few short years, "going green" has shifted from being the latest marketing ploy to being a core business strategy. The term Green Marketing is the buzzword used in industry which is used to describe business activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, with minimal detrimental impact on the natural environment. As society becomes more concerned with the natural environment, businesses have begun to modify their process in an attempt to address society's new issues. Some businesses have been quick to accept the newer challenges or changes like environmental management, minimization of the waste aligning with organizational activities. For a company to be successful in implementing green marketing strategy, it should not forget attitude of consumers towards green marketing. The outcome of this paper may trigger the minds of marketer to give a thought for adopting the suitable strategies which will give them a way to overcome major problems associated with regular marketing techniques and make a shift to green marketing. Eventually the marketers can save a lot on overhead costs and associated entities in the market. Keeping this thing in mind this paper is an attempt to understand awareness of consumers' towards green marketing and green branding along with exploring the concept of green marketing.

Keywords: *Green Marketing, Environmental Marketing, Sustainable Marketing, Perception*

1.0 Introduction to Green marketing

Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines ***(Anjana & Rati, 2011).*** Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption an disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run (***Bhat, 1993)***.

Elkington (1994: 93) defines, green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

Polonsky (1994) defines green marketing as .all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

1.1 Golden Rules of Green Marketing

1. Know your Customer: Make sure that the consumer is aware of and concerned about the issues that your product attempts to address ***(Camino, 2007).***

2. Educating your customers: it is not just a matter of letting people know you're doing whatever you're doing to protect the environment, but also a matter of letting them know why it matters ***(Rahbar & Wahid, 2011).***

3. Being Genuine & Transparent: means that a) you are actually doing what you claim to be doing in your green marketing campaign and b) the rest of your business policies are consistent with whatever you are doing that's environmentally friendly ***(Grant, 2008).***

4. Reassure the Buyer: Consumers must be made to believe that the product performs the job it’s supposed to do-they won't forego product quality in the name of the environment.

5. Consider Your Pricing: If you're charging a premium for your product-and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients-make sure those consumers can afford the premium and feel it's worth it.

1.2 Initiatives Taken Up By Business Organizations towards Green Marketing

Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives.

Lead Free Paints From Kansai Nerolac

Kansai Nerolac Paints Ltd. has always been committed to the welfare of society and the environment. Kansai Nerolac has worked on removing hazardous heavy metals from their paints. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

Going Green: Tata's New Mantra

Tata Motors is setting up an ecofriendly showroom using natural building material for its flooring and energy efficient lights. The Indian Hotels Company, which runs the Taj chain, is in the process of creating Ecorooms which will have energy efficient mini bars, organic bed linen and napkins made from recycled paper. And when it comes to illumination, the rooms will have CFLs or LEDs

Suzlon Energy

The world’s fourth largest windturbine maker is among the greenest and best Indian companies in India. Tulsi Tanti, the visionary behind Suzlon, convinced the world that wind is the energy of the future and built his factory in Pondicherry to run entirely on wind power. Suzlon’s corporate building is the most energy-efficient building ever built in India.

Tata Metaliks Limited (TML) Every day is Environment Day at TML, one of the top green firms in India. A practical example that made everyone sit up and take notice is the company’s policy to discourage working on Saturdays at the corporate office. Lights are also switched off during the day with the entire office depending on sunlight.

Tamil Nadu Newsprint and Papers

Limited (TNPL) Adjudged the best performer in the 2009-2010 Green Business Survey, TNPL was awarded the Green Business Leadership Award in the Pulp and Paper Sector. The initiatives undertaken by this top green firm in India includes two Clean Development Mechanism projects and a wind farm project that helped generate 2,30,323 Carbon Emission Reductions earning Rs. 17.40 Crore

IndusInd Bank

Green banking has been catching up as among the top Indian green initiatives ever since IndusInd opened the country’s first solar-powered ATM and pioneered an eco-savvy change in the Indian banking sector.

Introduction of CNG in Delhi

New Delhi, the Capital of India, was being polluted at a very fast pace until Supreme Court of India forced a change to alternative fuels. In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution

Gas Tech Electronic Products (Pvt) Ltd. has invented LPG Kit for motorcycles/scooters (4 stroke and 2 stroke).Can be fitted in 50 cc to 375 cc air cooled , single cylinder 2 stroke as well 4 stroke vehicles with cent % fuel efficiency, with clean exhaust and zero pollution. The following figure shows the amount of pollution caused by different types of vehicles in Delhi, of which maximum pollution is caused by two wheelers. 38% of particulate matter and 61% of hydrocarbons are released by two wheelers alone. Thus the use of LPG kit for motorcycles/scooters will reduce pollution to a great extent ***(Polonsky & Kapelianis, 2002).***

2.0 Why Is Green Marketing Chosen By Most marketers?

Most of the companies are venturing into green marketing because of the following reasons:

A. Opportunity in India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diversified and fairly sizeable segments to cater to. The Surf Excel detergent which saves water and the energy-saving LG consumers durable are examples of green marketing ***(Grigore, 2011)***

b. Social Responsibility Many companies have started realizing that they must behave in an environment-friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives. Respecting the principle of extended producer responsibility (EPR), the Sony Company will continue to promote the development and efficient operation of low-environmental-impact recycling systems suited to the needs of local communities. With the aim of reducing resource use, the Sony Company has planned to step up efforts to design products that are easy to recycle, as well as to promote the establishment of legislation that enshrines the concept of individual producer responsibility (IPR) and the building of an infrastructure for recycling Sony products ***(Kangis, 1992).***

c. Governmental Pressure:-Various regulations are framed by the government to protect consumers and the society at large. The Indian government too has developed a framework of legislations to reduce the production of harmful goods and byproducts. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags, and prohibition of smoking in public areas, etc ***(Peattie & Crane, 2005).***

d. Competitive Pressure;- Another major force in the environmental marketing area has been a firm‘s desire to maintain its competitive position. It is only in some instances that this competitive pressure causes an entire industry to modify and thus reduce its detrimental environmental behavior. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers.

e. Cost Reduction:-Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop a symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contribute to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes ***(Margee & Craig, 2013).***

2.1 Benefits of Green Marketing

Companies are responsible to consumers' aspirations for environmentally less damaging or neutral products. Many companies want to have an early-mover advantage as they have to eventually move towards becoming green. Some of the advantages of green marketing are:

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- It ensures sustained long-term growth along with profitability.
- It saves money in the long run, though initially the cost is more ***(McDaniel & Rylander, 1993).***
- It helps companies market their products and services keeping the environmental aspects in mind. It helps in accessing the new markets and enjoying competitive advantage.

3.0 Research Methodology

Problems related to research are distinct from one another, so for the purpose of reaching to conclusion, there is a need to put special emphasis to research problem and need to follow different approach. As one research problem is unique from another, due to this it should be necessary to follow such research process which is customized in nature. Now various sections of research methodology are as follows:-

3.1 **Statement of the problem**

The present study aims to find out the attitude of consumers towards concept of green marketing. Research problem of present study is "Attitude of consumers towards Green Marketing".

3.2 Objectives

This study is undertaken to fulfill various objectives:-

1. To study perception of consumer towards Green products or Eco Friendly products
2. To study the extent to which green marketing affect the behavior of consumers

3.3 Hypothesis

For effective analysis of collected data and to achieve the objective of study, hypothesis is framed for the study:-

1H0: There is no significant difference between male and female respondents while considering price as one of the main factor for purchasing green products.

To check this hypothesis chi square test is used to check whether there is any significant different point of view of male and female respondents.

3.4 Research Design

In the present study, descriptive research design is used. For the purpose of collecting information from respondents, questionnaires are filled from 95 respondents.

3.5 Sampling Design and Sampling Technique

Sample size taken to conduct research is 95, but out of this 6 questionnaires were found to be incomplete. So in total data from 89 consumers have been collected and analyzed.

3.6 Data Collection Method

For the purpose of collecting data, questionnaire is designed and then by online survey this questionnaire is sent to consumers to get their response.

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3.7 Tools of Data Analysis

After collection of data, now collected data have been tabulated and then classified. To show the status of respondents simple percentage method is adopted. Then chi square test is used to show significant difference between male and female respondents while considering price as one of an important factor in purchasing green products.

4.0 Analysis and Interpretation

Table 4.1

Gender	N(89)	No. of Respondents (%)
Male	57	64.04
Female	32	35.96

Interpretation

From the above table, it is concluded that out of 89 respondents, 57 are male respondents and 32 are female respondents

Table 4.2

Profile of Respondents	N(89)	
Age (in yrs)	**N**	**%**
16-20	21	23.95
20-24	37	41.57
24-28	31	34.48
Occupation	**N**	**%**
Students	53	59.55
Self-Employed	17	19.10
Business	19	21.35

Interpretation

From the analysis of above table, it comes to know that 23.95% of respondents belong to 16-20 age groups, 41.57% of respondents belong to 20-24 age group and remaining 34.48% of respondents belong to 24-28 age group. 59.55% of respondents are students, 19.10% of respondents are self employed and remaining 21.35% of respondents are doing their own businesses.

Table 4.3

Are you having any knowledge related to Green products or Eco Friendly Products?

Are you having any knowledge related to Green products or Eco Friendly Products?	N(89)	%
Yes	64	71.91
No	2	2.25
To some extent	23	25.84

Interpretation

It is inferred from the table that 71.91% of respondents are having knowledge related to green products, 2.25% of respondents never heard about green products and rest 25.84% of respondents are carrying information about gren products to some extent.

Table 4.4

Medium of Awareness of Green products	N(87)	%
Magazines	16	18.39
Newspapers	15	17.24
Class lectures	17	19.54
Television	39	44.83

Interpretation

Through the table which is given above, it is concluded that 18.39% of respondents said through magazines they came to know about green products, 17.24% of respondents considered newspaper as a medium to make them aware about green products, 19.54% of respondents came to know about green products through lecture given in class and remaining 44.83% of respondents came to know about green products through television.

Table 4.5

If due to addition of green feature in product, it price rises, are you ready to pay more for this product?	**N(87)**	**%**
Yes	41	47.13
No	46	52.87
Whenever you buy a product, are you having complete knowledge related to that green feature?	**N(87)**	**%**
Yes	65	74.71
No	22	25.29

Interpretation

In this, question is asked from respondents whether they ready to pay extra price due to addition of green feature in product, 47.13% of respondents said they are ready to pay extra prices but 52.87% of respondents said they are not ready to pay extra prices due to introduction of green feature in product.

Table 4.6

Reason for your willingness to pay more for green products?	**N(87)**	**%**
To enhance quality of life	24	27.59
To show your responsibility towards protection of environment	37	42.53
To increase value of product potentially	15	17.24
To get higher level of satisfaction	11	12.64

Interpretation

If consumers are ready to pay extra price for green products then there is some reason behind it, researcher asked this question from respondents, then 27.59% of respondents said green products enhance quality of life due to this they are ready to pay more for the products, 42.53% of respondents said through green products it is possible for them to show their concern towards society, 17.24% of respondents are ready o buy more for green products as it increases potential value of products and remaining 12.64% willing to pay more for green products for the purpose of getting higher level of satisfaction.

Table 4.7

Reason that makes you unwilling to pay more for green products?	N(87)	%
We are not able to see the benefits of those features	26	29.89
It is the claim of producers only but In actual it is not like that	21	24.14
Due to addition of green feature, value of product rises, it is not possible to afford that product	27	31.03
It is the responsibility of producer to pay for it	13	14.94

Interpretation

Sometimes consumers are not willing to pay more for the product, when this question is asked from respondents, then 29.89% of respondents said they are not able to see the benefit of those extra features, 24.14% of respondents said it is claim made by producers but in reality the condition is totally opposite, 31.03% of respondents said due to addition of green features the price of product rises now it is not possible for them to afford that product and remaining 14.94% of respondents said it is the responsibility of producer to make such products which are environmental friendly so they should pay for it.

Table 4.8

Reason for green marketing	N(87)	%
To make consumer aware about green products	47	54.02
To get competitive edge	17	19.54
To show your concern towards society	23	26.44

Interpretation

Now question arises why there is need for green marketing, 54.02% of respondents said green marketing is very helpful in making consumer aware about green products, 19.54% of respondents said green marketing play an important role to get competitive edge and remaining 26.44% of respondents said through green marketing it is possible for them to show their concern towards society

Table 4.9

Marketing elements which strongly influence the buying behavior of green products	N(87)	%
Product	26	29.88

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Price	27	31.03
Place	14	16.09
Promotion	11	12.64
Package	9	10.36

Interpretation

Now question arises about the marketing elements which strongly influence the buying behavior of green products, 29.88% of respondents considered product as one of the important part which influence the buying behavior of consumer while purchasing green products, 31.03% of respondents considered price, 16.09% of respondents considered place, 12.64% of respondents considered promotion and remaining 10.36% considered package as important part which influence the buying behavior of consumer while purchasing green product.

Statistical Analysis

Particular	Calculated Vale of chi square	Dof (Degree of Freedom)	Status
1H0: There is no significant difference between male and female respondents while considering price as one of the main factor for purchasing green products.	**2.98**	**1**	**Accepted**

Conclusion

"Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption an disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste. Many companies have started realizing that they must behave in an environment-friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives. Respecting the principle of extended producer responsibility (EPR), various organizations adopted the concept of green marketing. This study is mainly conducted to know about perception of consumer towards Green products or Eco Friendly products and to know the extent to which green marketing affect the behavior of consumers. If an organization adopted the concept of green marketing then it will be very beneficial for them as through this it is possible to get competitive edge and it also shows its concern towards society. Through study it is concluded that 44.83% of respondents came to know about green products through television. It is also concluded that 42.53% of respondents said through green products it is possible for them to show their concern towards society, 17.24% of respondents are ready o buy more for green products as it increases potential value of products and remaining 12.64% willing to pay more for green products for the purpose. So green marketing is considered to be a symbol for fulfilling your responsibility towards society.

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FDI IN HIGHER EDUCATION IN INDIA

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ABSTRACT

Private investment in higher education is an order of the day. Of course, it should have happened decades ago. The cost of not doing so has given us a mediocre teaching infrastructure, poor financial incentives to a teacher, outdated teaching pedagogies and poor research and development facilities. Higher education is all about generating knowledge, encouraging critical thinking and imparting skills relevant to the society and industry. The growth of India's higher educational institutions has indeed been spectacularly rapid. The numbers of universities have doubled since 1990-91, and enrollment has become more than doubled. But this has been at the expense of quality, increased rigidity in course design, poor absorption of knowledge, and growing lack of access to laboratory facilities, journals and opportunities for field work, etc. Private investment in higher education will help us to have qualified and competent faculty, well developed infrastructure and new teaching pedagogies. This paper has given due emphasis on pros and cons of FDI in higher education in India. This paper has also highlighted the impact of FDI in higher education on quality, research and development, innovation and employability.

Key Words: FDI, Higher Education, Quality, Skill development

1. Introduction:

A successful higher education sector plays vital role in economic growth and development of a country. Higher Education enjoys a considerable position in the education system as it equips people with relevant knowledge and skills to be employed in the corporate world. India has one of the largest systems of higher education in the world offering facility of education and training in almost all aspects of human creativity and intellectual Endeavour with high access by all section of society. In the context of current demographic structure of India where the majority of population is below the age of 30 years, the role of higher education is very important. The general education mainly consists of higher education courses in arts, commerce and science, on the other hand, the technical education comprises of programmes like education, research and training in engineering technology, architecture, town planning, management, pharmacy and applied arts and crafts. Professional education includes courses in medical education, law and other specialized fields as indicated in the table 1.

Table1: Structure of Higher Education

General	Technical/Professional
Doctoral Education	
Post Graduation education (General)	Post Graduation education (Technical/Professional)
Graduation education (General)	Graduation education (Technical/Professional)
Higher & senior secondary Schooling	Polytechnic Education (Technical)
Secondary Schooling	
Elementary Education	

Source: Deloitte Analysis

Higher Education System in India compare to developing / developed countries needs significant improvement. The percentage of students taking higher education is scarcely about 13 % whereas the same is varying between 28 to 90 %, across the world. The lowest % being 28 % and the same is as high as 90 % in advanced countries. At one end we claim that India would rank 3rd among all countries by 2020 in education. Recent ranking of Indian institutions in The Times Higher education ranking in 2013, there is no institution in the top 200 institutions in the world and there are 77 institutions from US, 71 from UK and 12 from Netherland. It reflects that India needs to revamp its existing education system to achieve international quality standards. Budget allocation by Govt. of India as per 2012 plan is about 1,107 billion which is not going to be adequate, and therefore allocation must be made appropriately as shown in the table 2. Basic education must reach to maximum number of children from different strata of the society so that they are eligible to pursue higher education.

Table 2: Planned expenditure on higher education

FIVE Year Plans	Planned expenditure on higher education (INR billion)	Annual Enrollment Growth
Sixth Five year Plan(1980-1985)	5.3	4%
Seventh Five year Plan(1985-1990)	12.0	6.2%
Eight Five year Plan(1992-1997)	10.6	5.4%
Ninth Five Year Plan(1997-2002)	25.0	5.6%
Tenth Five Year Plan (2002-2007)	96.0	6.6%
Eleventh Five Year Plan(2007-2012)	849.4	9.3%
Twelfth Five Year plan(2012-2017)	1,107	NA

Source: FICCI Higher Education Summit 2012

Indian institutions must focus on quality inputs to the students. Institutions should also concentrate on constantly updating the syllabus in order to help students adapt with the changing business environment. To start with, educational institutions can look at making education liberal, introduce innovative practices & applied research work; updating the course curriculum frequently. If such developments take shape in its true sense in our educational institutions students would be attracted to pursue higher education which will in turn fulfill corporate expectations. Efforts should also be taken to guide, mentor students and parents to develop and retain interest amongst students. In addition to above, curriculum should also include sports, hobby classes, vocational skills development program, employability enhancement & soft skills development programs, entrepreneurship development modules, specialization wise clubs and committees of students, practical assignments related to their field, industry interface related modules such as internships, industry visits, guest lecturers / workshops / seminars, participation in summits, management quiz etc. with evaluation / monitoring system so as to ensure continual improvement in the same. Institutions should also inculcate multitasking abilities amongst students, foreign languages, advanced IT knowledge so that they can perform better in the chosen field. Indian institutions are lacking much on all these above discuss parameters. Foreign institutions can help our country as well as institutions to start innovative practices for the overall development of students. That is why FDI in higher education will be beneficial for India.

FDI stands for Foreign Direct Investment, a component of a country's national financial accounts. Foreign direct investment is investment of foreign assets into domestic structures, equipment, and organizations. It does not include foreign investment into the stock markets. Foreign direct investment is thought to be more useful to a country than investments in the equity of its companies because equity investments are potentially "hot money" which can leave at the first sign of trouble, whereas FDI is durable and generally useful whether things go well or badly. Foreign direct investment (FDI) is defined as an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign direct investor or parent enterprise) in an enterprise resident in an economy other than that of the foreign direct investor (FDI enterprise or affiliate enterprise or foreign affiliate). FDI implies that the investor exerts a significant degree of influence on the management of the enterprise resident in the other economy. Such investment involves both the initial transaction between the two entities and all subsequent transactions between them and among foreign affiliates, both incorporated and unincorporated.

2. Objective of the Study:

- To understand education system in India.

- To know pillars of Indian Education system.

- To know the impact of FDI in education on research and quality teaching.

- To point out recent development in higher education in India.

- To review the impact of FDI in Higher education.

- To understand the role of globalization and its impact on Higher education.

3. Research Methodology:

This paper is based on the secondary information collected from the various resources concerning to the education and research. Secondary information is collected from management libraries, journals, newspapers and magazines. This paper attempts to discuss in detail likely impact of FDI in higher education in India.

4. Rationale for FDI in Education:

4.1 Private Sector Participation

Traditionally education was considered to be non-tradable. The government is used to fund education through domestic resource mobilization. In the Higher Education, 90's is the decade of falling percentage of budgetary allocation on secondary, higher and technical education. The resource crunch in these sectors have adversely affected the public sector and promoted the private sector participation at almost all levels of education. To raise the participation rate for 7 percent to 10 percent targeted by the end of tenth plan is also an uphill task in view of impending financial shortage. This shortage of fund can be addressed by allowing FDI in higher education. A FDI inflow in education sector is not satisfactory as shown in the table 3. Indian education sector is heavily depending on the government support which in turn impacts the expansion of education sector. Government resources are limited and government is unable to fund all educational institutions in India. Therefore, Government should frame investor friendly policy which could attract best foreign university in India.

Table 3: FDI INFLOWS IN EDUCATION SECTOR

SECTOR	AMOUNT OF FDI INLOWS		PERCENTAGE WITH TOTAL FDI INFLOWS
	In crores	In US $ Million	
Education	3,209.05	661.59	0.36
Grand total of all the 64 sectors	855,432.77	185,766.80	

Source: DIPP's FDI data sheet (From April 2000, to October 2012)

4.2 Quality Education with Market Orientation

Argument in favour of FDI in education is that foreign institutions can bring quality programs with market orientation. Besides, updated curricula, teaching-learning processes, evaluation of processes may be internalized within educational institution in India. It may also reap the benefits of improved managerial and organizational skills to run the institutions. It is also argued that FDI could promote competitiveness in the education system as a whole.

4.3 Export of Indian education abroad

It is also argued that there is a positive correlation between FDI and export. Hence it is argued that allowing FDI in education might lead to export of Indian education abroad in which there are large potentials in South East Asia, Africa, Latin America etc. Education may, therefore, turnout to be net exporter and earner of foreign exchange. It is, however, maintained that foreign institutions would be interested to exploit the large market in India, rather than exporting education from India. Since nations cannot remain isolated in this age of globalization, therefore, the FDI policy should be linked to specific sectors and the specific objectives.

4.4 Impact of FDI on Ranking of Indian Institution

In The Times Higher education World University Ranking 2013-2014, Indian institutions don't have any place even in top 200. In this global ranking, Countries like US, UK, Switzerland, Japan, France, Germany, Belgium and Netherland have been ranked in the top. Highest institutions are from US followed by UK as indicated in table 4. Where are Indian education institutions? Punjab University has been ranked in the group of 226-250. Indian institutions should focus more on research, infrastructure, and industry interaction rather than focusing on class room teaching. World universities have shown excellent performance in research and innovation. Indian Government should encourage arrival of foreign universities in India. It will create a competitive environment and Indian Institutions will start competing with foreign universities.

Table 4: The Times Higher education World University Ranking 2013-2014

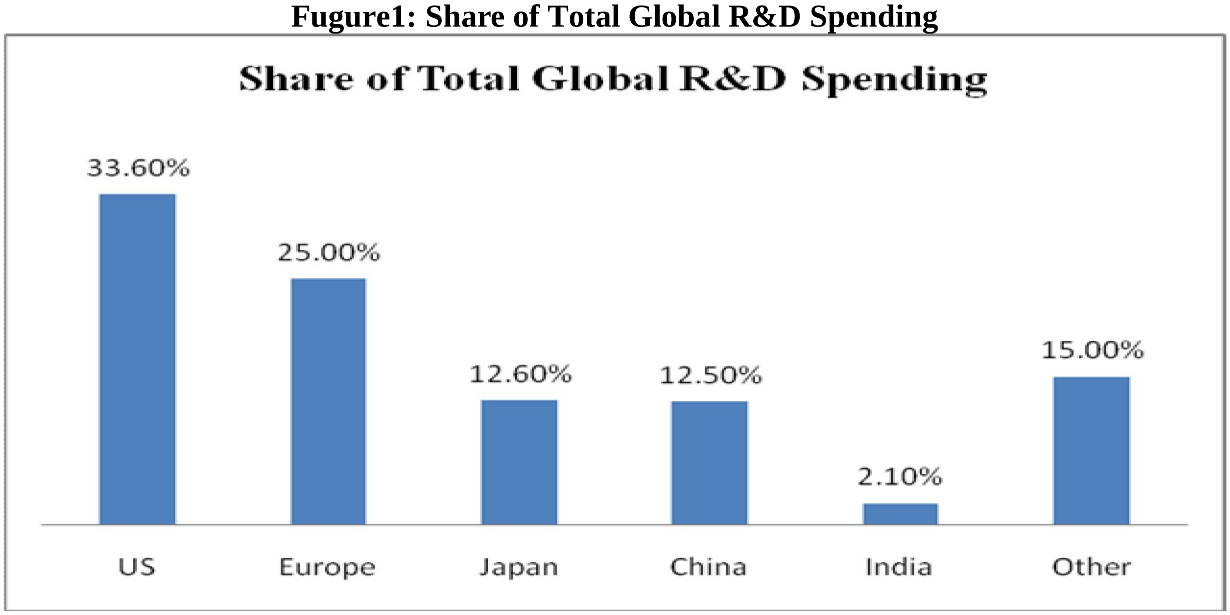
India's top Five	In the Group	Top Ten Countries	No. of Institutions in top 200
Punjab University	226-250	US	77
IIT-Delhi	351-400	UK	31
IIT-Kanpur	351-400	Netherland	12
IIT-Kharagpur	351-400	Germany	10
IIT-Roorkee	351-400	France	8
World's Top 5	**Rank**	Australia	7
CIT	1	Canada	7
Harvard University	2	Switzerland	7
University of Oxford	2	Belgium	5
Stanford University	4	Japan	5
MIT	5	Sweden	5

Source: Times of India

4.5 Research

Research plays vital role in the higher education system of a country. Faculty should spend more time on research rather than class room teaching to understand recent changes in business environment and their effects on the operation of business enterprises. There is an urgent need to increase expenditure on R&D in order to become a knowledge economy .As it is indicated in the figure 1 that India's share in R&D spending to the total global R&D spending stands at 2.1% while the share of China is 12.5%. It is clearly shown by this figure that India's spending on R&D is poor as compare to US, Europe, Japan and China.

Fugure1: Share of Total Global R&D Spending



Source: Report on annual status on higher education by Deloitte ,2013.

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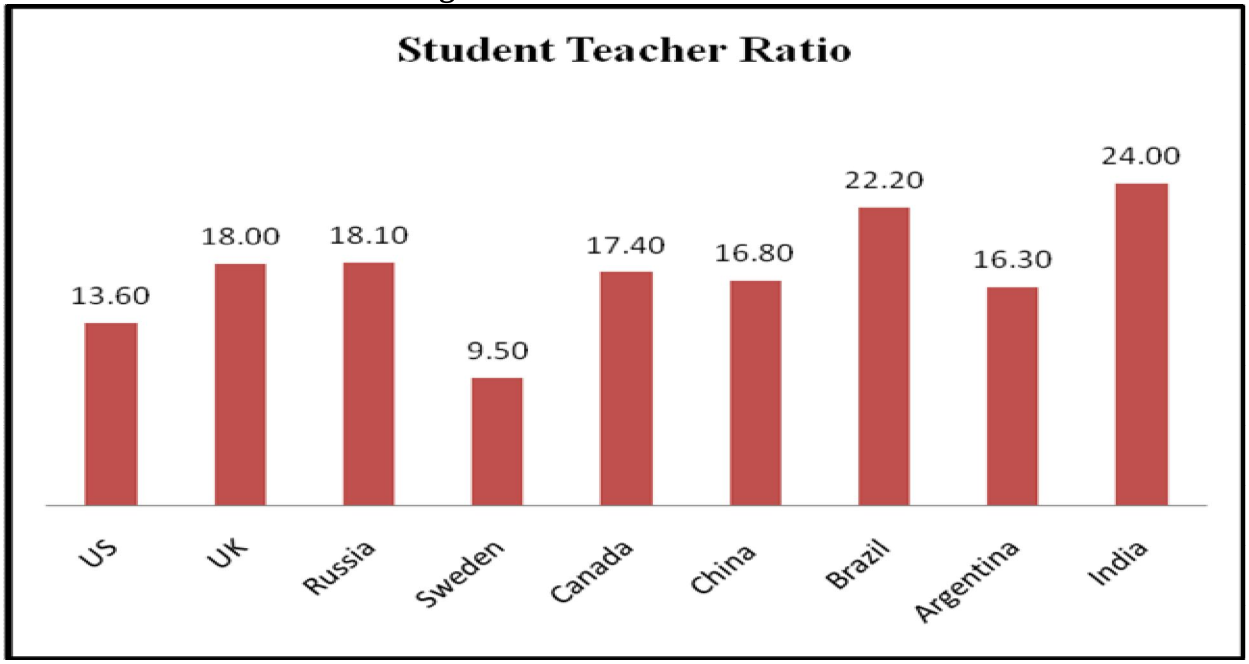
4.6 Shortage of Quality Faculty

India is facing severe shortage of quality faculty which is critical for smooth functioning of a sound education system. It is a fact that strength of faculty members is increasing consistently which implies that student-teacher ratios have decline. But India's student-teacher ratio at the international level is poor,as can be seen in the figure 2.

Fugure2: Student Teacher Ratio



Source: Report on annual status on higher education by Deloitte ,2013.

5. PROS OF FDI IN HIGHER EDUCATION IN INDIA:

1. Due to lack of funds it is not possible to increase the number of state funded universities and colleges. Therefore FDI in higher education can solve this problem. A large number of Indian students go abroad for higher education but by allowing foreign educational institutions to open their campuses in the country, will stop the outflow of Indian students. Indian economy is facing huge outflow of foreign exchange because many students prefer to study abroad rather than in India. It is because students think that Indian educational institutions are not of international standards. It is shown in the table 5 that 190,055 students had gone abroad for higher studies in 2012.

Table 5: Indian Higher Education Enrollments in Top 7 Receiving Countries, 2005-2012

Year	USA	UK	Australia	Canada	NZ	China	Germany	Total
2012	96,754	N/A	12,629	28,929	11,349	10,237	5,745	190,055
2011	100,270	29,900	15,395	23,601	12,301	9,370	4,825	228,774
2010	103,895	39,090	21,932	17,549	11,616	9,014	3,821	2,53,743

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2009	104,897	38,500	28,020	9,561	9,252	8,468	3,236	2,47,631
2008	103,260	34,065	28,411	8,325	6,348	8,145	3,217	216,516
2007	94,563	25,905	27,078	7,304	3,855	7,190	3,431	205,852
2006	83,833	19,228	25,497	6,927	2,599	3,245	3,585	158,215
2005	76,503	16,872	22,529	6,688	N/A	N/A	3,807	N/A

Source: wenr.wes.org

2. It is also argued that foreign educational institutions would create competition with the local institutions enabling them to become internationally competitive.
3. This competition would force the local institutions to change their curricula and respond to the immediate needs of the students. And by this, the degrees offered by these institutions will become internationally comparable and acceptable.
4. Further, the FDI in education would create new institutions and infrastructure and generate employment.

6. CONS OF FDI IN HIGHER EDUCATION IN INDIA

1. Foreign institutions are not much concern with the development of Indian society. Their motive is motive is to earn profit.
2. Foreign institutions would be able to attract best teachers and it may cause shortage of best faculty in Indian universities.
3. Teachers and non-teaching staff may be appointed without necessary qualifications.
4. These institutes' charges high fees which would also result in local private institutions raising their fee to establish competitiveness, affecting adversely those students who unable to pay high fees.
5. These institutes would tend to repatriate as much profit as possible thus accelerating the outflow of foreign exchange from the country.
6. A survey found that 44 out of these 150 odd programmed are unaccredited and unrecognised in their own countries.

7. 10 Reasons for allowing FDI in higher education:

1. There are limited seats in Indian colleges and universities. So, allowing FDI would increase more opportunities to study for Indian students.
2. Many students are going abroad to pursue higher education. If foreign universities come to India, then some of these students will surely stay in India and will study here.
3. Indian economy is incurring more than $4 billion every year because of the fact that thousands of Indian students are going to America and Europe for higher education.
4. FDI in education sector will attract some of the best universities in the world and open their branches.

5. It will also ensure world class research facilities for Indian students.
6. It will also increase the possibility of Indian students to get jobs in multinational companies.
7. India needs many skilled workers within a short time. Foreign universities can contribute a lot in this regard.
8. If foreign schools and universities open their branches in India then many students from neighboring countries will come to study in those universities in India and India will turn into a regional hub on education.
9. Indian students will come into contact with some of the top professors of the world.
10. Indian students will be able to have world class labs and libraries.

8. Conclusion:

In the era of the knowledge economy, we need to expose our next generation to alternative models of education, and streams of knowledge. The entry of foreign education providers may also help stimulate our existing educational system to rethink its ways of working. Competition rather than fear is the best way to accomplish this much needed transformation. The downside of the new policy is that access to the foreign providers' programmes will be dominated by the elite segment of the population, as fees and other conditions of entry will tend to favour them. A key issue here is how the entry and operation of foreign universities should be regulated. Our existing regulatory mechanisms have not been very effective, to put it mildly. Given this limitation, my advice is that entry should be limited to institutions that are accredited by reputed bodies in their own countries.

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FINANCIAL RISK COVERAGE IN MARINE OPERATIONS: AN ANALYSIS

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ABSTRACT
"Marine Insurance is a complex issue when it comes to interpretation and applicability of clauses. This necessitates that the insured as well as the insurers have to fully understand their role in the terms of the contract".(*G.V. RAO.)*

The widespread adoption of marine insurance by merchants in International Trade was a result of revolution in the pricing of marine insurance in the seventeenth century. In London, due to the revolution marine insurance prices dropped by more than half, and in some cases by 75%. Marine Insurance business is mostly International, so subject to law and international regulations in every stage of its operation. Marine Insurance is governed by the oldest insurance law. This Law is guided by various clauses formulated by the Institute of London Underwriters (ILU) and the International commercial terms. These are presently known as INCOTERMS 2000 developed by ICC (International Chamber of Commerce). This oldest branch of marine insurance; with its intricate layer of risks is a fascinating business. Marine insurance is getting indispensable to the development of economy, trade, shipping, port, and finance. Two kinds of conditions are needed in developing marine insurance: conditions of port logistics and finance industry.

This paper will discuss the various types of marine insurances policies, importance and their procedure with reference to India. The objective of the paper is toanalysethe present status ofMarine insurance sector from Indian perspective. The topic will be analysed on the basis of gross premium amount, incurred claim ratio, segment wise premium underwritten etc.

Key words: India, Marine Insurance, Premium, Policies, Risk.

Introduction:-
Marine operation is a specific behaviour activity by marine force. In early phases it was a joint operation of the navy and air force. A marine is a member of an infantry force that specializes in marine operations such as amphibious assault. In some countries, a marine force is often part of a navy, but can also be under army or independent command. Historically, tasks undertaken by marines have included providing protection from war while at sea, reflecting the pressed nature of the ships' company and the risk of mutiny. With the industrialization of warfare in the 20th century the scale of water/sea/marine operations increased; thus it an increased risk in sea transactions. Therefore it is an urgent need for co-ordination of various marine elements.

Marine insurance covers the loss to the ship or cargo during water transportation. The loss can either be a complete loss or partial loss or damage. It also includes any loss incurred on the point of origin or destination, during loading or unloading or material.Marine insurance is the indemnity for the loss of cargo or damage to ships during the shipment. The risks that marine insurance covers are fire, seizures, wars, accidents or causalities which take place over the sea. The winds and waves are not included as risks in the marine insurance.

Marine insurance may be called a contract whereby the insurer undertakes to indemnify the insured in a manner and to the extent thereby agreed upon against marine losses.

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Marine insurance involves transportation of goods from one country to another country by ships. There are many dangers during the transhipment. The persons who are importing the goods will like to ensure the safe arrival of their goods. The shipping company wants the safety of the ship. Marine insurance insures the coverage of all types of risks which occur during the transit.

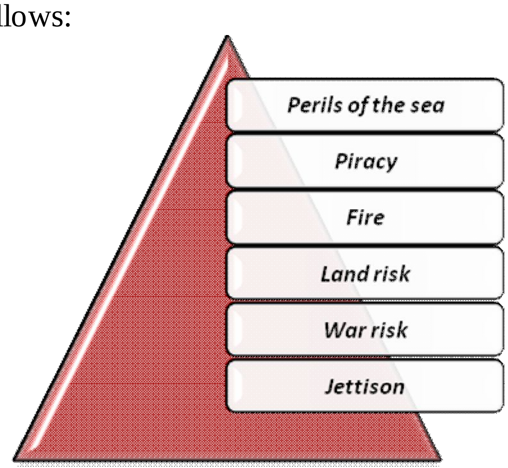
The Indian Marine Insurance Act, 1963 is imbibed from the Marine Insurance Act, 1906. Though the Marine Insurance Act is deep in its insurance coverage, it does not provide for losses that occur while the ship is sailing the waters. This has led to the introduction of another insurance called the Marine Cargo Insurance, which provides for losses to cargo while the ship is sailing the waters. This is very beneficial to oil tankers and heavy cargo ships.

The subject of Marine Insurance is very wide and encompassing, which is why there is a definite categorization of various types of marine insurance and different types of marine insurance policies. As per the needs, requirements and specifications of the transporter, an appropriate type or types of marine insurance can be narrowed down and selected to be put into operation.The types of marine insurance available for the benefit of a client are many and all of them are feasible in their own way. Depending on the nature of risk, he can opt for the best marine insurance plan and compensate the losses.

Risk:-The term risk may be defined as the possibility of adverse results flowing from any occurrence. Risk arises therefore out of uncertainty. It can also represent the possibility of an outcome being different from the expected.

The degree of risk may or may not be measurable. Since our purpose is to relate risk to insurance, focus will be on a risk which entails the possibility of financial loss. The term risk is very popular in insurance business. In general insurance companies risk means uncertainty. Either a peril to be insured against or a person or property protected or goods by insurance.

The marine insurance covers many risks. The types of risks covered by modern marine insurance are as follows:



1. Perils of the sea:-Perils of sea means any type of incident of contingent accidents or casualties at the sea. In course of the voyage, the ship may be damaged due to sea storm, sea pirates, tsunami and accidents of any kind. These all risks are covered by marine insurance.

2. Piracy:-The goods may be stolen during a sea voyage. Therefore, theft is one of the risks associated with the sea transportation. For the purpose of marine insurance, the thieves must not be the captain and

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his crew themselves or the people traveling by the ship. They must be outsiders, who use force for stealing goods.

3. Fire:-It is likely that fire may occur in the ship, when it is voyage. Inflammable items such as coal, oil, electricity and others are required in larger quantity for the operation of ship. Thus, fire may be included as risk in marine insurance.

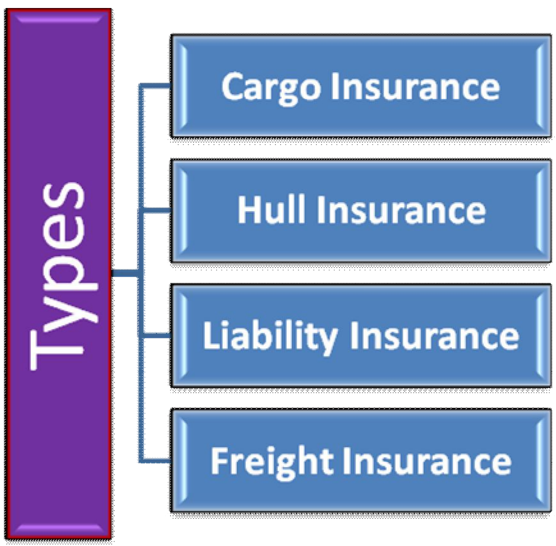
4. Land risk:-Marine insurance indemnifies the subject-matter (cargo) of the parties right from the godown of the exporting country to the godown of the importing country against any risk of loss. The risks of loss associated with other means of transportation such as railways, roadways and others, warehouses, ports of both the countries and others are included and covered under marine insurance.

5. War risks:-The shipping companies may have to face many risks during the war period. There may exist a risk of loss of ship, cargo and freight due to attacks and counter defensive operations. War risks are insurable in marine insurance.

6. Jettison:-Jettison means throwing overboard a part of cargo or any other goods in order to reduce the weight in the ship. Some of the cargo is deliberately thrown away with the object of preventing the ship from further damage. Loss caused by this method is one kind of marine risk and it can be covered under the marine insurance policy.

Types of Marine Insurance:-

Uncertainty is always lies in all types of business. For covering these risks insurance service is provided. Marine Insurance basically deals with marine/ navy operations. Since there are large number of marine risks. Marine insurance provides for various types of insurance as per the need, specification and requirement. The different types of marine insurance can be elaborated as follows:



■**Cargo Insurance**: Cargo insurance caters specifically to the cargo of the ship and also pertains to the belongings of a ship’s voyagers.This insurance covers the personal goods of the passengers and crew of the ship. It also covers the goods that are transported.

■ **Hull Insurance**: Hull insurance mainly caters to the torso and hull of the vessel along with all the articles and pieces of furniture in the ship. This type of marine insurance is mainly taken out by the owner of the ship in order to avoid any loss to the ship in case of any mishaps occurring.This insurance covers for both vessel and its apparatus such as fuel, tools, furniture, machinery etc.

■ **Liability Insurance:** Liability insurance is that type of marine insurance where compensation is sought to be provided to any liability occurring on account of a ship crashing or colliding and on account of any other induced attacks.This is the insurance which is utilized when the insured suffers losses due to liability to third party. This liability may be caused due to risks such as collision of ships or any other similar causality that may take place in voyage.

■ **Freight Insurance**: Freight insurance offers and provides protection to merchant containers' corporations which stand a chance of losing money in the form of freight in case the cargo is lost due to the ship meeting with an accident. This type of marine insurance solves the problem of companies losing money because of a few unprecedented events and accidents occurring.This insurance usually covers for the loss of freight. If the goods are safely shifted to the destination port, the owner of goods will have to pay the freight charges but if the ship faces any damages and losses, the shipping company will be under loss. Hence this insurance becomes a necessity to the owner company.

Advantages of Marine Insurance:-

The insurance has become an integral part of all trades. ''The fear of sea losses'' has been a constraint on the growth of international trade. An uncertain future of marine transactions are always been haunting to the owners. Thus marine insurance has been helpful in solving many problems of business. The following advantages of marine insurance are proves that it is beneficial for all types of Risks:-

1. Providing Security:-There is always a fear of sudden loss. There may be a loss by fire in the factory, loss by storm in the sea or loss of a human being life. In all these cases it is very difficult to bear the loss. Insurance provides a cover/ security against any sudden loss. In case of marine and fire insurance the loss suffered by the insured is fully compensated. The owner can restore to his earlier position. In the same way, if a bread-bringing member of the family dies prematurely, the family is provided with money to continue with its livelihood. So, insurance gives security to both individual and business-man.

2. Spreading of Risk:-The main principle of insurance is to spread risk among a large number of people. A large number of organizations get insurance policies and pay premium to the Insurance Company (insurer). Whenever a loss occurs, it is compensated out of the premium funds of the company. In this manner, the loss is spread among a large number of policy-holders. Insurance cannot eliminate loss but it can reduce the risk to the individual.

3. Source of Collecting Funds.:- In lieu of an insurance cover, the organization/ people (insured) pays premium to the Insurance Company (insurer). In the form of regular premium, a large amount of fund is collected. These funds are productively used in exploiting natural resources which speed up industrial growth of a country. The employment opportunities are also increased due to large amount of investment by insurance companies. So, insurance has become an important source of capital formation.

4. Encourage Savings:-Insurance does not protect risks only but also provide an investment channel too. The insurance develops a habit of saving money by paying premium. The amount of policy is paid to the insured or to his nominees. In case of fixed time policies, the insured gets a lump-sum amount after the maturity of the policy.

5. Encourage International Trade:-International trade involves many risks in transporting goods from one country to another. In the absence of marine insurance the traders will always be worried for the safe arrival of goods. The quantum of trade will be limited because of uncertainties and risk involved during transit. Insurance provides protection against all types of sea-risks. Through insurance a country can develop their international trade on a large scale.

Marine Insurance Policies in India:-

In addition to above types of marine insurance, there are various types of marine insurance policies in India which are offered to the clients by various insurance companies in India to cover varied Risk. The availability of a wide array of marine insurance policies with flexibility gives a wide arena to choose from. Through this a client can get the best deal for his ship and cargo.

The subject matter of marine insurance policy generally includes ship, cargo, and freight. For any marine insurance policy, two additional elements i.e.
(1) Terms of time factor
(2) Valuation of object
are also considered as legal requirements for the insurance policy.

Besides it, the value of the object/ loss must be clearly described for the sake of indemnity. It is also necessary that obligations and liabilities to be taken by the insurer must be declared in the policy.

The different types of marine insurance policies are detailed below:

■**Voyage Policy**: A voyage policy is that kind of marine insurance policy which is valid for a particular voyage.This policy coverage is given only for a particular voyage say from starting point to the destination. It covers the risk from the port of departure upto the port of destination. The policy ends when the ship reaches the port of arrival. This type of policy is purchased generally for cargo. The risk coverage starts when the ship leaves the port of departure.

■**Time Policy:** A marine insurance policy which is valid for a specified time period – generally valid for a year – is classified as a time policy.All the marine perils during that period are insured. This type of policy is suitable for full insurance. The ship is insured for a fixed period irrespective of voyages. Time policies may sometimes be issued for more than a year or they may be extended beyond a year to enable a ship to complete a voyage. In India, a time policy is not issued for more than a year.

■**Mixed Policy**: A marine insurance policy which offers a client the benefit of both time and voyage policy is recognized as a mixed policy.As the name suggests it is a mixture of both voyage and time policy. A ship may be insured during a particular voyage for a period, e.g. a ship may be insured between Bombay and London for one year. These polices are issued to ships operating on a particular route.

■**Open (or) Un-valued Policy**: When the value of insurance policy is not decided at the time of taking up a policy, it is called unvalued policy. The amount of loss is ascertained when a loss occurs. In this type of marine insurance policy, the value of the cargo and consignment is not put down in the policy beforehand. Therefore reimbursement is done only after the loss to the cargo and consignment is inspected and valued.Here no additional charges are mentioned. It is decided after the incident proving it. At the time of loss or damage the value of the loss is calculated. In calculation of loss, the value of goods, freight, insurance charges and some margin of profit is consider to the policy

■**Valued Policy:** A valued marine insurance policy is the opposite of an open marine insurance policy. Under this policy the value of the policy is decided at the time of contract. The value is written on the face of the policy. In case of loss, the agreed amount will be paid. There is no dispute later on for determining the value of compensation. The value of goods includes cost, freight, insurance charges, some margin of profit and other incidental expenses. The ships are insured in this manner.

■**Port Risk Policy**: This kind of marine insurance policy is taken out in order to ensure the safety of the ship while it is stationed in a port.

■**Wager Policy:** A wager policy is one where there are no fixed terms of reimbursements mentioned. If the insurance company finds the damages worth the claim then the reimbursements are provided, else there is no compensation offered. Also, it has to be noted that a wager policy is not a written insurance policy. The policy is not enforced by law.This is a policy held by a person who does not have any insurable interest in the subject insured. He simply bets or gambles with the underwriter. The wager policy is also called 'Honor Policy' or 'Policies Proof of Interest'.

■Open or **Floating Policy**: A marine insurance policy where only the amount of claim is specified and all other details are omitted till the time the ship boards on its Journey, is known as floating policy. For clients who undertake frequent trips of cargo transportation through waters, this is the most ideal and feasible marine insurance policy.When a person ships goods regularly in a particular geographical area, he will have to purchase a marine policy every time. It involves a lot of time and formalities. He purchases a policy for a lump sum amount without mentioning the value of goods and name of the ship etc. When he sends the goods, a declaration is made about the particulars of goods and the name of the ship. The insurer will make an entry in the policy and the amount of policy will be reduced to the value of goods. The declaration by the insured is a must. When the total amount of policy is reduced, it is called 'fully declared' or turns off'. The underwriter will inform the insured who will take another policy, if value of goods is more the policy amount. The premium is called on the basis of declarations made.

■ **Block Policy**:-Sometimes a policy is issued to cover both land and sea risks. If the goods are sent by rail or by truck to the departure, then it will involve risk on land also. One single policy can be issued to cover risks from the point of dispatch to the point of ultimate arrival. This policy is called a Block Policy.

■**Fleet Policy:-**A policy may be taken up for one ship or for the whole marine. If it is taken for each ship, it is called a single vessel policy. When a company purchases one policy for all its ships, it is called a marine policy. The insured has an advantage of covering even old hips at an average rate of premium. It is generally a time policy.

Process of Marine Insurance Policy

In India, the marine insurance policy has detailed procedures. When a client/ organization wants to avail the marine insurance policy they have to follow the following steps:-

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Importance of Marine Insurance Policy:-

Marine Insurance is an area which involves a lot of thought, straightforward and complex dealings in order to achieve the common ground of payment and receiving. But as much as complex the field is, it is nonetheless interesting and intriguing.It caters to a lot of people by offering a wide range of policies to facilitate easy business transactions. Therefore, in the interest of the clients and the insurance providers, it is beneficial and relevant to have the right kind of marine insurance. It resolves problems not only in short run, but also in the long run as well.

The importance of marine insurance has increased more than ever before in this age of globalization. The following points highlight the importance or significance of marine insurance.

1. Marine insurance facilitates global trade
The volumes of sea trade have tremendously increased. Due to increased tradetherefore the risk of loss at sea is also increased. In this situation, marine insurance plays significant role in facilitating the global trade by minimizing the risk thereof.

2. Marine insurance ensures economic prosperity
In the present scenario, the volume of marine insurance business is very high. High volume of the business is an indicator of the economic prosperity of a country. It is fact, that a sound marine insurance business and industrial development both are related.

3. Marine insurance provides peace of mind
Marine insurance provides peace of mind to the businessmen by meeting their financial losses from marine risks. It helps to reduce tension and fear, and takes away anxiety from the businessmen and managers who are in the international business. As a result, they are able to operate their business without any tension, fear, anxiety.

4. Marine insurance improves quality of life
Marine insurance helps to control losses that may arise from the marine risks. As a consequence, people are encouraged to engage more in international business. This means more investments, more jobs, more production, more income and more consumption of goods and services which help to improve the people's quality of life. As its results, Improve quality of people’s life promotes the economic development.

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5. Marine insurance provides social benefits

Marine insurance helps businessmen to recover their losses. It keeps business continuously going on and services to be provided to society. As its results, people do not lose their jobs and their sources of income are intact. This social benefit contributes to the unhindered growth of the national economy.

Marine Insurance in India: An Analysis

Table: 1

INSURANCECOMPANIESOPERATING MARINE INSURANCE ININDIA

New India Assurance Co. Ltd. **Mumbai**	Bajaj Allianz General Insurance Co. Ltd. **Pune**
National Insurance Co. Ltd. **Kolkatta**	Bharti AXA General Insurance Co. Ltd. **Bangalore**
The Oriental Insurance Co. Ltd. **Delhi**	Cholamandalam MS General Insurance Co. **Channai**
United India Insurance Co. Ltd. **Chennai**	Future General India Insurance Co. Ltd. **Mumbai**
	HDFC Ergo General Insurance Co. Ltd. **Bombay**
	ICICI Lombard General Insurance Co.Ltd. **Mumbai**
	IFFCO Tokio General Insurance Co. Ltd. **Gurgaon**
	L & T General Insurance Co. Ltd. **Mumbai**
	Raheja QBE General Insurance Co. Ltd. **Mumbai**
	Reliance General Insurance Co. Ltd. **Mumbai**
	Royal Sundaram Alliance Insurance Co. Ltd. **Chennai**
Re- Insurer:-	SBI General Insurance Co. Ltd. **Mumbai**
General Insurance Corporation of India	Shriram General Insurance Co. Ltd. **Jaipur**
	TATA AIG General Insurance Co. Ltd. **Bombay**
	Universal Sompo General Insurance Co. Ltd. **Mumbai**

*****as on 31st March 2011**

As on 31st March,2011, total 19 general insurance companies in India had been granted registration for carrying on marine insurance business in the country. Total four are in public sector and the rest are in private sector. All the four public sector insurance companies carry on multiline operations (i.e. marine, fire, cargo, health insurance).In India, General Insurance Corporation works as a RE-INSURER. This company engaged in multipurpose insurance policies.

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Table: 2
COMPANYWISEGROSSDIRECTPREMIUMINCOMEININDIA

INSURER	Total Premium (Crore)		Market Share (In per cent)	
	2009-10	2010-11	2009-10	2010-11
National	4625.18	6220.70	13.36	14.61
New India	6042.51	7097.14	17.45	16.67
Oriental	4736.71	5457.33	13.68	12.82
United	5239.05	6376.66	15.13	14.98
Public-Total	**20643.45**	**25151.83**	**59.63**	**59.07**
Royal Sundaram	913.11	1144.00	2.64	2.69
Reliance	1979.65	1655.43	5.72	3.89
IFFCO Tokio	1457.84	1783.18	4.21	4.19
TATA AIG	853.80	1173.09	2.47	2.76
ICICI Lombard	**3295.06**	**4251.87**	**9.52**	**9.99**
Bajaj Allianz	2482.33	2869.96	7.17	6.74
Cholamandalam	784.85	968.00	2.27	2.27
HDFC Ergo	915.40	1279.91	2.64	3.01
Future Generali	376.61	600.16	1.09	1.41
Universal Sompo	189.28	299.10	0.55	0.70
Shriram	416.93	780.89	1.20	1.83
Bharti AXA	310.82	553.90	0.90	1.30
Raheja QBE	1.32	4.90	0.00	0.01
SBI General	-	43.02	-	0.10
L&T General	-	17.24	-	0.04
Private-Total	**13977.00**	**17424.63**	**40.37**	**40.93**
Grand Total	**34620.45**	**42576.45**	**100.00**	**100.00**

Source: Annual Report, Insurance Regulatory and Development Authority India 2010-11.

The above table no 2 describes the premium underwritten by 15 private sectorinsurers in 2010-11 was 17,425 Crore as against 13,977 Crore in 2009-10. ICICI Lombard continued to be the largest private sector marine insurance company, with market share of 9.99 per cent. It reported a marginal increase in market share up from9.52 per cent in 2009-10. Bajaj Allianz, the second largest private sector marine insurance company, which underwrote a total premium of 2,870 Crore, saw decline in market share from 7.17 per cent in 2009-10 to 6.74 per cent during the year 2010-11.

In case of public sector marine insurers, all four companies expanded their business with an increase in respective premium collections. The market share of these companies, other than for National, however, declined from their previous year respective levels. National insurance company market share is increased up to 14.61 in 2010-11. Remaining all three public sector companies market share is decreased in 2010-11.

On the basis of above table it clearly shows that public sector companies have large amount of premium as well as large % of market share with respect to private company. It proves that people have still more faith in public sector companies.

Table: 3
SEGMENTWISE PREMIUMUNDERWRITTENBY NON-LIFEINSURERSIN INDIA

Department	2009-10 in Crore	%	2010-11 in Crore	%
Fire	3869.27	(11.18)	4555.12	(10.70)
Marine	2167.59	(6.26)	2518.77	(5.92)
Motor	15047.00	(43.46)	18180.52	(42.70)
Health	7311.37	(21.12)	9944.03	(23.35)
Others	6225.22	(17.98)	7378.01	(17.33)
Total Premium	34620.45	(100.00)	42576.45	(100.00)

Source: Annual Report, Insurance Regulatory and Development Authority India 2010-11.

The above table no 3 shows that the premium collection in marine segment continued to flow at 2518.77crore in 2010-11 from 2167.59crore of 2009-10. Of-course the premium amount is increases, but the share of marine insurance premium in total premium amount is decreases. The market share of marineinsurance premium is 5.92 per cent in 2010-11 (as against 6.26 per cent in 2009-10. In this situation insurance company provide more benefits to the all business men those who are involved in marine business.

Table: 4
COMPARISION OF INCURRED CLAIMS RATIO

(In per cent)

	Public Sector		Private Sector		Total	
Segment	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Fire	81.10	87.86	72.79	75.16	79.91	86.07
Marine	**75.50**	**92.89**	**86.40**	**82.12**	**78.08**	**90.18**
Motor	87.84	111.10	80.42	93.70	84.51	102.69
Health	119.85	106.31	92.22	85.15	111.13	100.08
Others	56.59	58.11	56.81	49.76	56.64	56.13
Total	88.27	97.03	80.79	86.90	85.50	93.37

Source: Annual Report, Insurance Regulatory and Development Authority India 2010-11.

The above table 4 describe the comparison of incurred claim ratio of all segments in India. In comparison to the previous year the incurred claim ratio in all segments except health insurance had increased. Therewasa substantialincrease intheincurredclaimsratiointhe marinesegmentfrom78.08% in2009-10to90.18%in 2010-11. Although total claim ratio is increased but overall market share of marine insurance decreases. (As per table no. 3)

Conclusion

The review paper reflects that in India overall gross direct premium amount is increased in 2010-11 but overall market share of public sector companies has decreased. The paper also suggests that overall segment wise premium amount in Indian marine sector is increasing in 2010-11. In public & Private

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sector companies incurred ratio in marine sector (in total) is also increasing. There is a probability of a spurt in marine insurance sector in India. It is a pillar of any market economy since it offers plenty of scope for garnering large sums of money for long periods of time. It helps us to creating more awareness among all sea/ water traders. Marine insurance is getting indispensable to the development of economy, trade, shipping, port, and finance. Two sorts of conditions are needed in developing marine insurance in Indiai.e the conditions of port logistics and finance industry. Well-regulated marine insurance industries provide its customers perfect policy for compensating their marine risks. The development of marine insurance in Indiawill bring benefits to multiple industries. Marine insurance industry will arouse a new round of economy growth in India and contribute much to the whole world.

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A STUDY ON EMPLOYEE'S ATTITUDE TOWARDS COMPETENCY PRACTICES: AN OVERVIEW

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"Knowing is not enough; we must apply. Willing is not enough we must do."- Goethe

Abstract

Today's societies place challenging demands on individuals, who are confronted with complexity in many parts of their lives. These demands imply for key competencies that individuals need to acquire. Defining such competencies can improve assessments of how well prepared young people and adults are for life's challenges, as well as identify overarching goals for education systems and lifelong learning.

In today's competitive world it is becoming particularly important to build on the competitive activities of business. There has been much thinking about business strategy over the last three decades, particularly regarding what competencies a business needs to have in order to compete in a specific environment. Top management needs to identify corporate core competencies and establish them throughout the organization.

Individuals need a wide range of competencies in order to face the complex challenges of today's world, but it would be of limited practical value to produce very long lists of everything that they may need to be able to do in various contexts at some point in their lives

The present paper attempts to find out the attitude of employee towards competency practices at Organization "X", one of the construction giant corporations. An exploratory research was conducted through questionnaire and personal interaction with 50 employees.

Keywords: Competency,downsize, efficiency, motivation, time management

Introduction:

In the global economy, firms are becoming more and more aware of the need to have competent employees. It is not surprising that interest in the concept of competency mapping is rising. Several specific factors are responsible for heightened organizational focus on this critical tool.

One of the core issues companies are facing today is the increase in the manpower cost. Coupled with this is the pressure to downsize and manage with fewer people, thus increasing efficiency and employee productivity. Companies are also realizing the need for ensuring that competent people are available for performing various critical roles. There is recognition that technology, finances, customers and markets, systems and processes can all be set right or managed effectively with the right kind of human resources. Apart from this, there is a focus on performing roles, time management, nurturing of competence, increased emphasis on performing management systems and recognition of the strategic advantage given by employee competencies in building the core competencies of the organization. All these factors are pushing up the value of competency mapping in enterprises.

There has been much thinking about business strategy over the last three decades; particularly regarding what competencies a business needs to have in order to compete in a specific environment. Top management is identifying corporate core competencies and working to establish them throughout the organization. Human Resource Development builds competency – based models that drive business results.

Objectives of the study:

1. To know the attitude of employee towards competency practices at Organization "X", one of the construction giant corporations.
2. To ascertain the motivating factors behind competency practices.

Research Methodology:

Data Collection:

The data has been collected from both – primary and secondary sources. The primary data was collected through questionnaires and personal interview. Text books, internet, magazines and articles were used in secondary data collection.

Sampling:

Sampling is the selection of a part of an aggregate material of population to represent the whole population. The part of the population selected is called a sample. Thus, in the sampling technique instead of every unit of the universe, only a part of the universe is studied and the conclusions are drawn on that basis for the entire universe.

Sample Size : 50 employees

Sample Design: Simple random sampling

Survey Method: Questionnaires and Personnel Interviews.

Data analysis and interpretation:

1. Competency mapping helps in identifying performance gap of employees.

Responses	No of Respondents	Percentage of Respondents
Agree	12	24%
Strongly Agree	28	56%
Disagree	8	16%
Strongly Disagree	2	4%

Figure-1

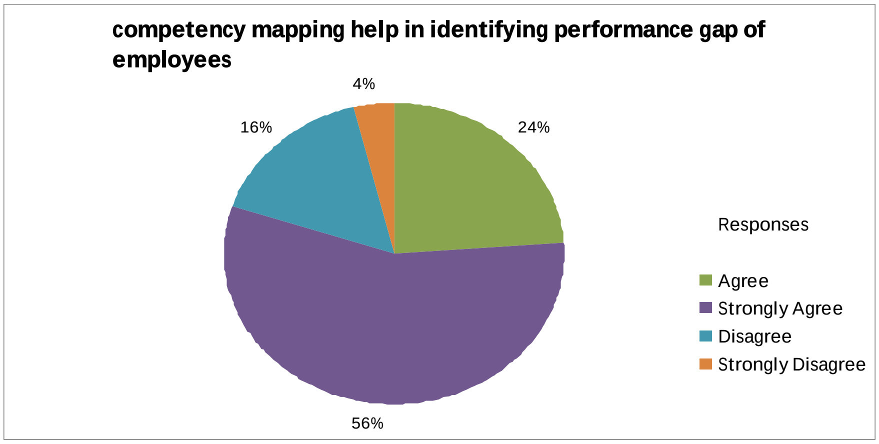
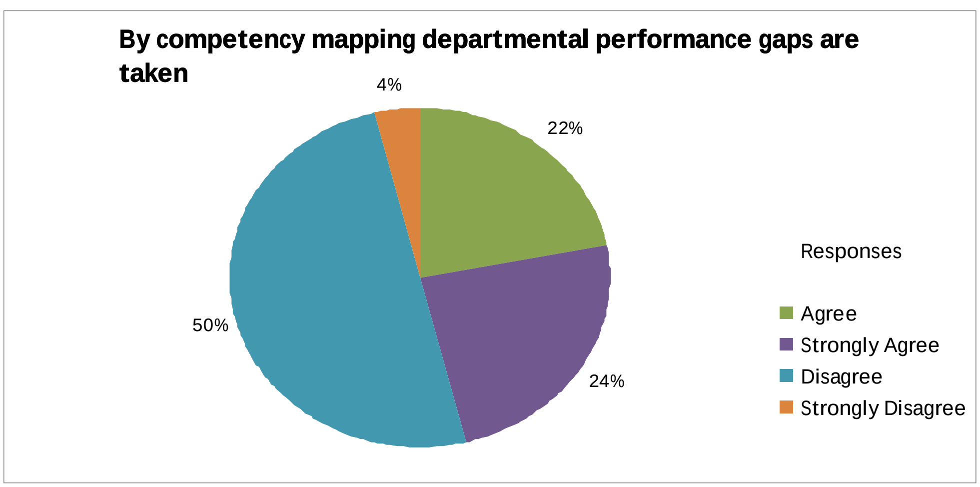


Fig.1 indicates that 56 % of the employees strongly agree that competency mapping helps in identifying performance gap of employees and 4 % of the employees strongly disagree that performance is not rated based on the competency mapping. By this analysis it can be concluded that employees are aware of competency mapping.

2. By competence mapping departmental performance gaps are taken.

Responses	**No of Respondents**	**Percentage of Respondents**
Agree	11	22%
Strongly Agree	12	24%
Disagree	25	50%
Strongly Disagree	2	4%

Figure-2

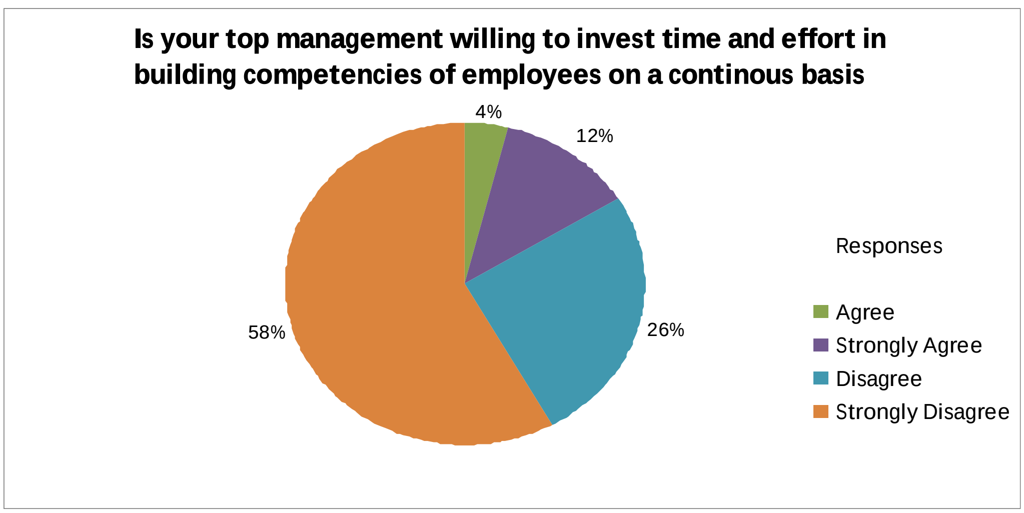


The results of Fig.2 depicts that 50% of employees disagree that departmental performance gaps can be measured by mapping the competencies and 22% agree that departmental performance depends on the competencies of employees in the department.

3 Is your top management willing to invest time and effort in building competencies of employees on a continous basis?

Responses	No of Respondents	Percentage of Respondents
Agree	2	4%
Strongly Agree	6	12%
Disagree	13	26%
Strongly Disagree	29	58%

Figure 3.



The results of Fig.3 depicts that 58 % of the employees strongly disagree that the top management does not want to invest time and effort in building competencies of employees but only 26 % of the employees disagree with the same whereas 12% strongly agree and 4% of the employees only agree with the same.

4. Does HR continuously reviews the progress of competency of employees

Responses	No of Respondents	Percentage of Respondents
Agree	2	4%
Strongly Agree	9	18%
Disagree	23	46%
Strongly Disagree	16	32%

Figure 4.

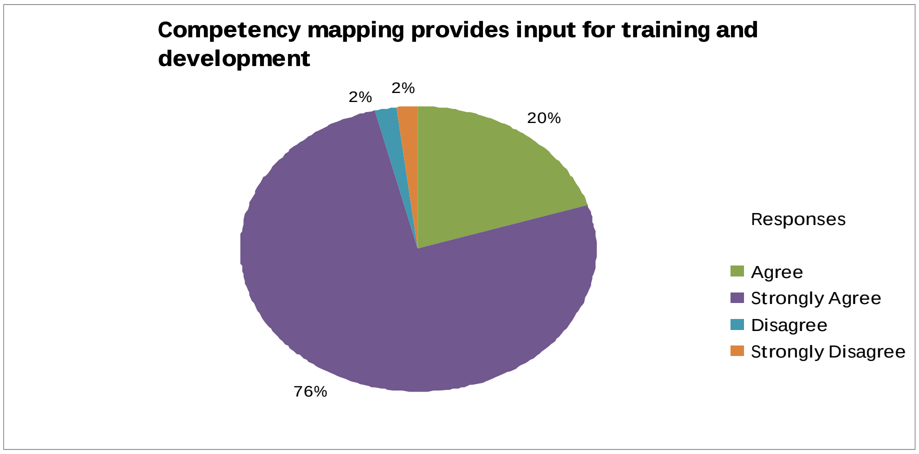


Fig.4 represents that 46% of the employees disagree and 32% of the employees strongly disagree that HR reviews the progress of competency of employees whereas 18% strongly agree and 4% agree with the same

5. Competency mapping provides input for Training and Development

Responses	**No of Respondents**	**Percentage of Respondents**
Agree	10	20%
Strongly Agree	38	76%
Disagree	1	2%
Strongly Disagree	1	2%

Figure 5

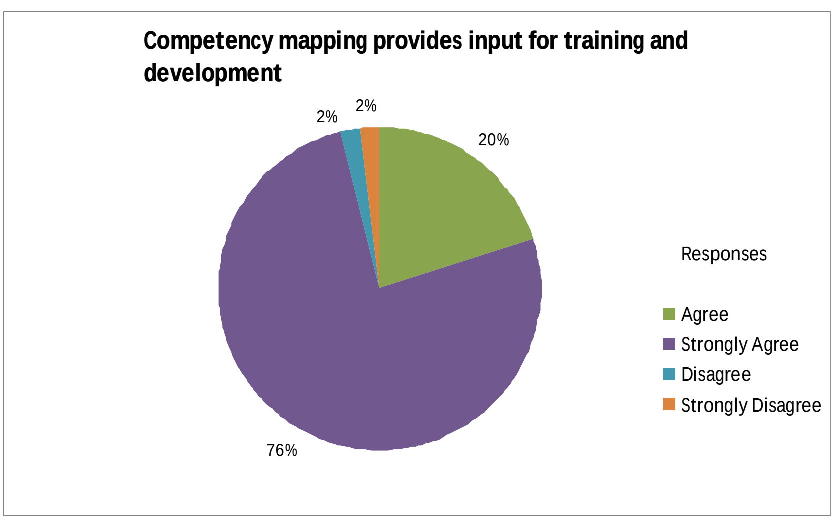


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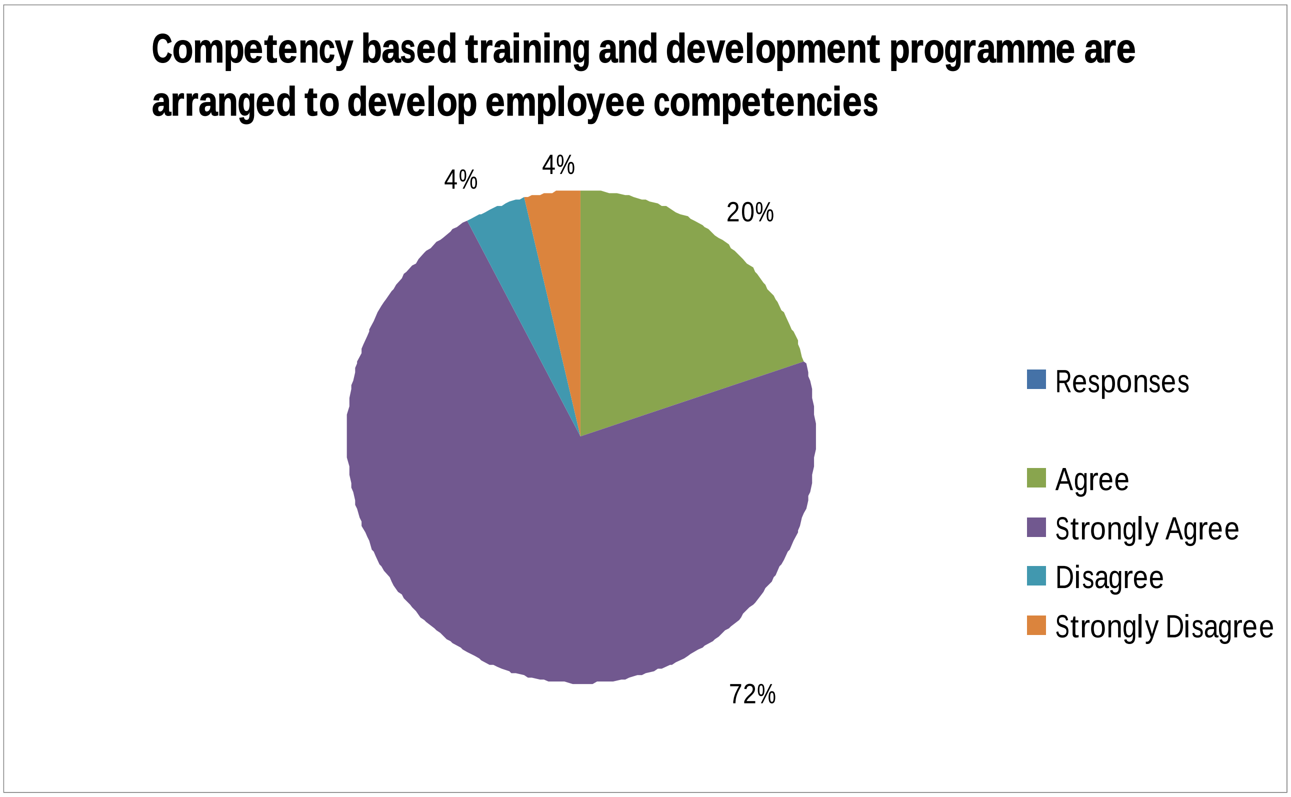
Fig.5 indicates that 76% of the employees strongly agree and 20% of them agree that competency mapping provides input for training and development whereas 2 % of the employees both disagree and strongly disagree with the same.

6. Competency based training and development programme should be arranged to develop employee competencies

Responses	No of Respondents	Percentage of Respondents
Agree	10	20%
Strongly Agree	36	72%
Disagree	2	4%
Strongly Disagree	2	4%

Figure 6

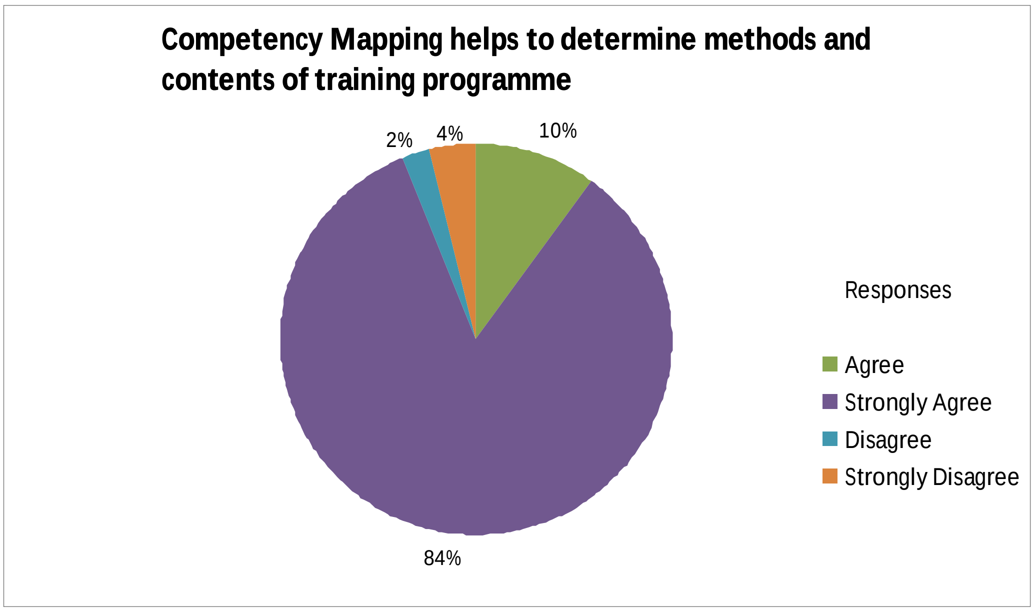


The results of Fig.6 depicts that 72% of the employees strongly agree and 20% agree that competency based training and development programme should be arranged to develop employee competencies whereas 4 % of the employees both strongly disagree and disagree with the same

7. Competency Mapping helps to determine methods and content of training programme

Responses	**No of Respondents**	**Percentage of Respondents**
Agree	5	10%
Strongly Agree	42	84%
Disagree	1	2%
Strongly Disagree	2	4%

Figure 7



From Fig.7, we can interpret that 84% of the employees strongly agree and 10 % only agree that competency Mapping helps to determine methods and content of training programme whereas 4% strongly disagree and 2% disagree with the same.

8. Systematic competency mapping helps organization in understanding and satisfying the requirements of internal and external customer.

Responses	**No of Respondents**	**Percentage of Respondents**
Agree	9	18%
Strongly Agree	35	70%
Disagree	2	4%
Strongly Disagree	4	8%

Figure 8

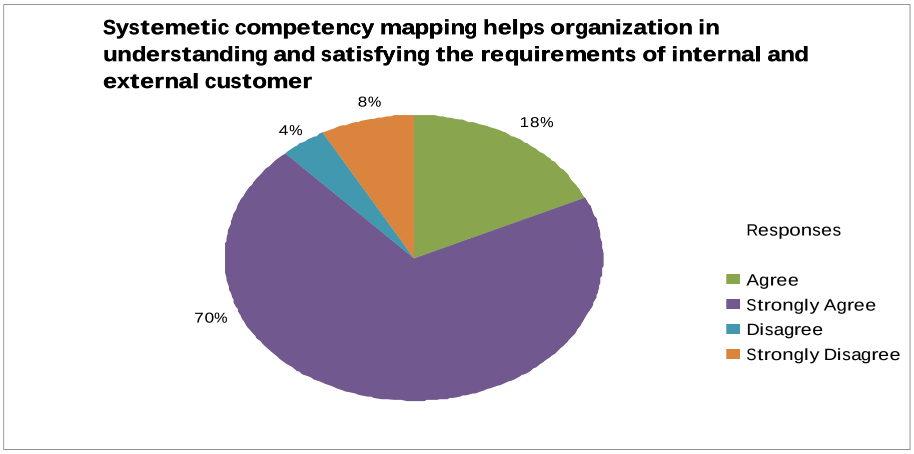
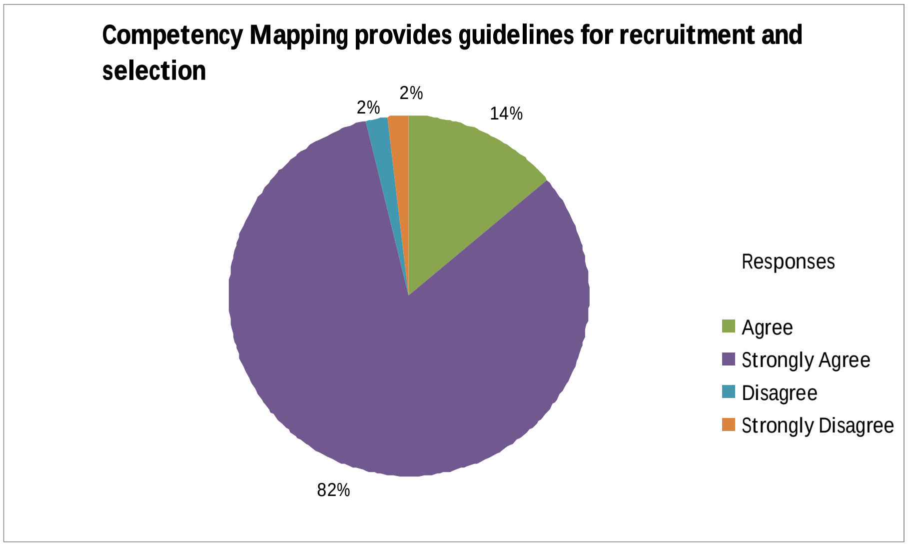


Fig.8 indicates that 70% of the employees strongly agree and 18% agree that systematic competency mapping helps organization in understanding and satisfying the requirements of internal and external customer whereas 8% strongly disagree and 4% agree with the same

9. Competency Mapping provides guidelines for recruitment and selection

Responses	No of Respondents	Percentage of Respondents
Agree	7	14%
Strongly Agree	41	82%
Disagree	1	2%
Strongly Disagree	1	2%

Figure 9



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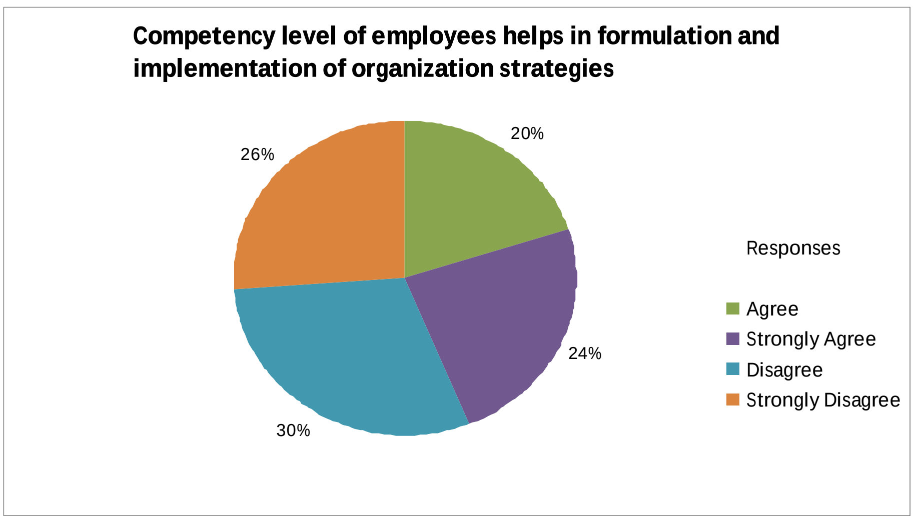
The results of Fig.9 depicts that 82% of the employees strongly agree and 14% agree that competency Mapping provides guidelines for recruitment and selection whereas 2% of the employees both strongly disagree and disagree with the same.

10 Competency level of employees helps in formulation and implementation of organization strategies

Responses	No of Respondents	Percentage of Respondents
Agree	10	20%
Strongly Agree	12	24%
Disagree	15	30%
Strongly Disagree	13	26%

Figure 10



From Fig.10, we can interpret that 30% of the employees disagree and 26% of the employees strongly disagree that competency level of employees helps in formulation and implementation of organization strategies whereas 24% strongly agree and 20% agree with the same

11. Competent employees support the organization to develop and survive in the competition

Responses	No of Respondents	Percentage of Respondents
Agree	8	16%
Strongly Agree	40	80%
Disagree	1	2%
Strongly Disagree	1	2%

Figure 11

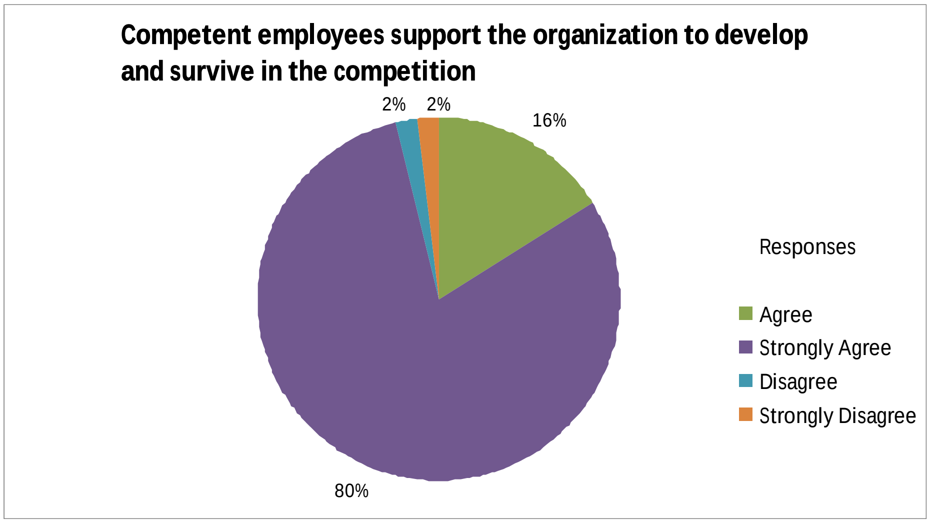


Fig.11 represents that 80% of the employees strongly agree and 16% agree that competent employees support the organization to develop and survive in the competition whereas 2% both strongly disagree and disagree with the same.

12. Competency development programme changes an employees attitude towards his subordinates, customers etc

Responses	No of Respondents	Percentage of Respondents
Agree	9	18%
Strongly Agree	39	78%
Disagree	1	2%
Strongly Disagree	1	2%

Figure 12

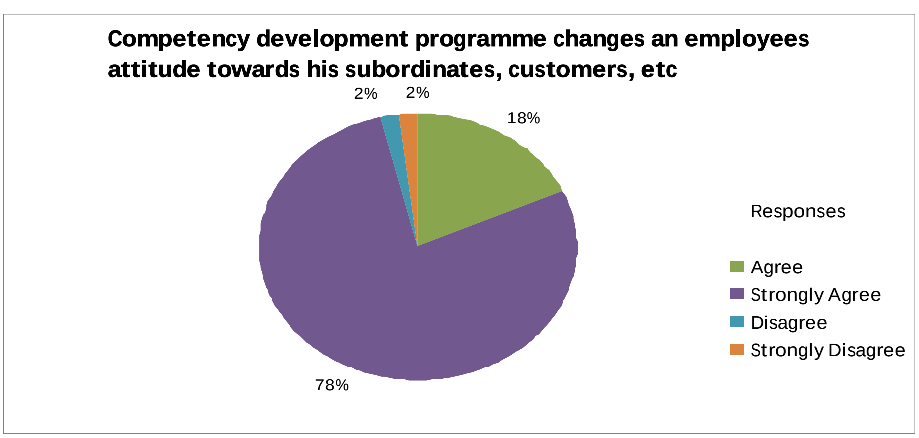


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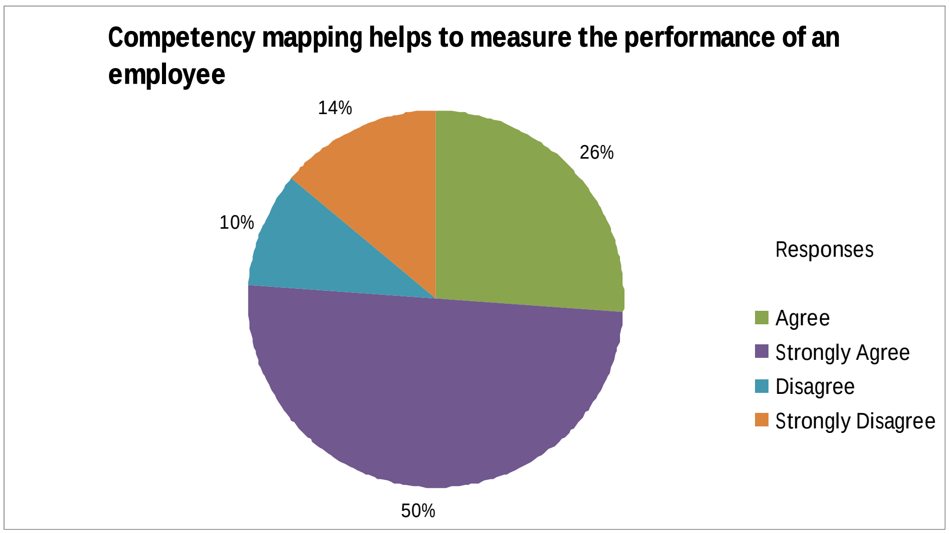
Fig.12 indicates that 78% of the employees strongly agree and 18% agree that competency development programme changes an employees attitude towards his subordinates, customers etc whereas 2 % of them both strongly disagree and disagree with the same

13. Competency mapping helps to measure the performance of an employee

Responses	**No of Respondents**	**Percentage of Respondents**
Agree	13	26%
Strongly Agree	25	50%
Disagree	5	10%
Strongly Disagree	7	14%

Figure 13



The results of Fig.13 depicts that 50% of the employees strongly agree and 26% agree that competency mapping helps to measure the performance of an employee whereas 14% of them strongly disagree and 10% disagree with the same

14. Competency mapping helps in identifying gaps in the HR system

Responses	**No of Respondents**	**Percentage of Respondents**
Agree	9	18%
Strongly Agree	11	22%
Disagree	26	52%
Strongly Disagree	4	8%

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Figure 14

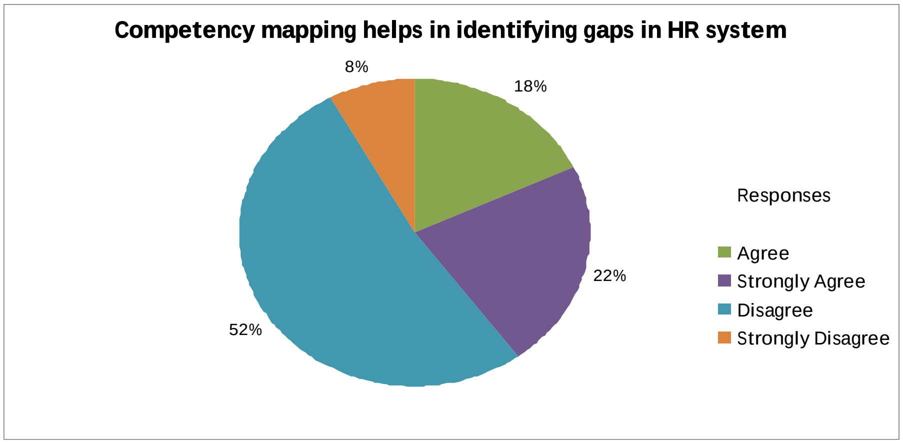

Fig.14 represents that 52% of the employees disagree and 8% strongly disagree that competency mapping helps in identifying gaps in the HR system whereas 22 % strongly agree and 18% agree with the same

15. Competency based reward system increases motivation, commitment and self-actualization of employees

Responses	**No of Respondents**	**Percentage of Respondents**
Agree	32	64%
Strongly Agree	11	22%
Disagree	3	6%
Strongly Disagree	7	14%

Figure 15

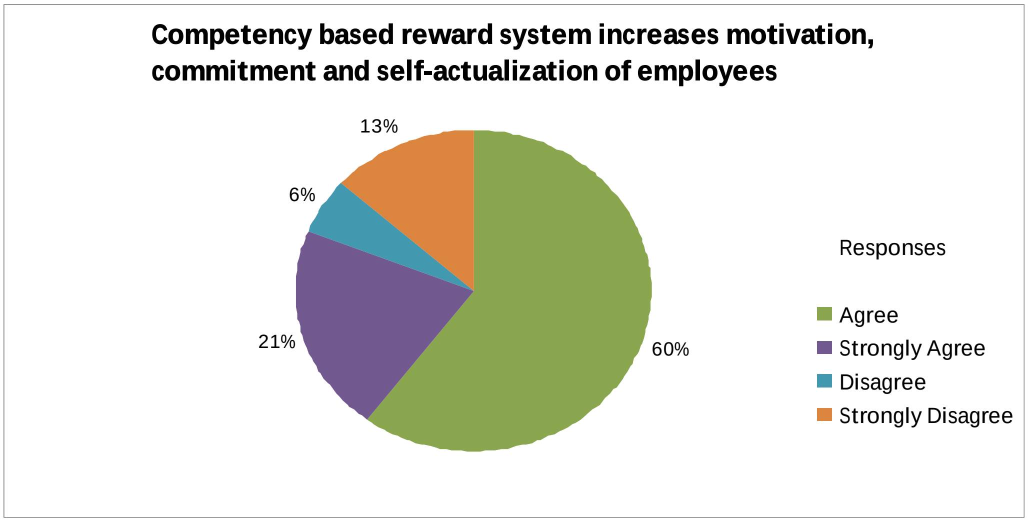

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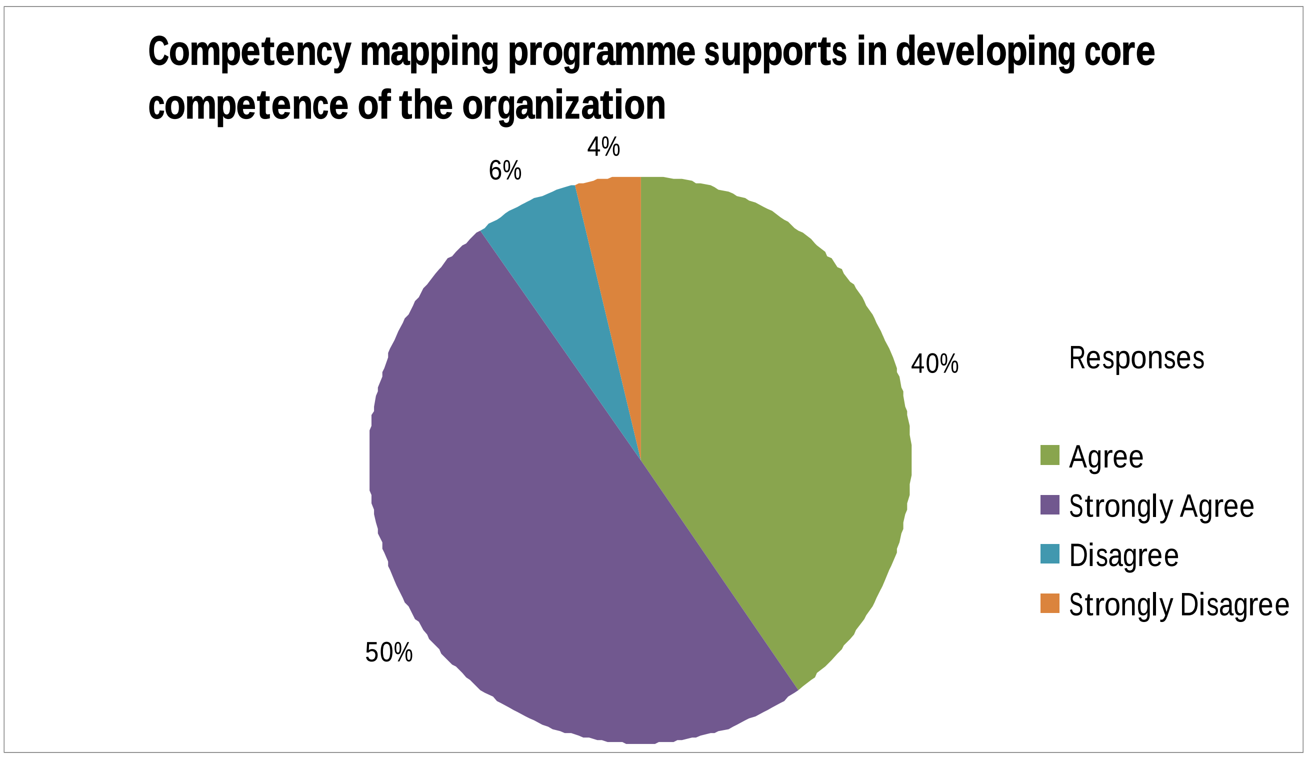
Fig.15 indicates that 64% of the employees agree and 22% strongly agree that competency based reward system increases motivation, commitment and self-actualization of employees whereas 14% strongly disagree and 65 disagree with the same.

16. Competency mapping programme supports in developing core competence of organization

Responses	No of Respondents	Percentage of Respondents
Agree	20	40%
Strongly Agree	25	50%
Disagree	3	6%
Strongly Disagree	2	4%

Figure 16



The results of Fig.16 depicts that 50% of the employees strongly agree and 40% agree that competency mapping programme supports in developing core competence of organization whereas 6% disagree and 4% strongly disagree with the same.

Findings and observations:

Table 1 Motivational factors in competency practices

Serial No.	Calculations	Ranking
1.	4*28 + 3*12 + 2*8 + 1*2 = 166	9
2.	4*12+ 3*11+ 2*25 + 1*2 = 133	12
3.	4*6 + 3*2 +2*13 + 1*29 = 85	16
4.	4*9 + 3*2 + 2*23 + 1*16 = 104	15
5.	4*38 + 3*10 + 2*1 + 1*1 = 185	5
6.	4*36+ 3*10+ 2*2 + 1*2 = 180	6
7.	4*42 + 3*5 + 2*1 + 1*2 = 187	2.5
8.	4*35+ 3*9+ 2*2+ 1*4 = 175	7
9.	4*41 + 3*7 + 2*1+ 1*1 = 188	1
10.	4*12 +3*10 + 2*15 + 1*13= 121	14
11.	4*40 + 3*8 + 2*1 + 1*1 = 187	2.5
12.	4*39 + 3*9 + 2*1+ 1*1 =186	4
13.	4*25 + 3*13 + 2*5 + 1*7 = 156	10
14.	4*11 + 3*9 + 2*26+ 1*4 = 127	13
15.	4*11 + 3*32 + 2*3 + 1*7 =153	11
16.	4*25 + 3*20 + 2*3+ 1*2 = 168	8

1. From table 1 and figure (1-16), it can be concluded that most of the employees have a positive attitude towards competency practices implemented by Organization "X".

2. Ranking method was used to find out motivational factors in competency practices. Results of table 1 shows that following are the most influential motivating factors in competency practices at Organization "X":

- Competency Mapping provides guidelines for recruitment and selection
- Competency Mapping helps to determine methods and content of training programme
- Competent employees support the organization to develop and survive in the competition
- Competency development programme changes an employees attitude towards his subordinates, customers etc.
- Competency mapping provides input for training and development.

Conclusion:

The competency mapping starts from the process of recruitment till the employee settles in his job, it is the responsibility of the organization to support the employees in their development. The competencies should be designed by understanding the job position of the employee. Competency based interviews reduce the risk of making a costly hiring mistake and increase the likelihood of identifying and selecting the right person for the right job. Competencies enable establishment of clear high performance standards and provide direction with regard to specific areas of improvement for employees.

It is very important for a company to provide a combination of critical behaviors, traits, motives, knowledge, skills and thought (application of), which leads to excellence in performance, or performance which can distinguish between average-performers and superior performers. An insight of a person's mind can be a key tool in the hands of the company to achieve the largest share of the pie.

No matter how formal or informal the organization's practices are regarding development planning, the important idea for the individual is to map his or her top competencies that are important to their future career passion and success. From among those top competencies, the individual needs to identify their current competency strengths, and also their future competency development needs.

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