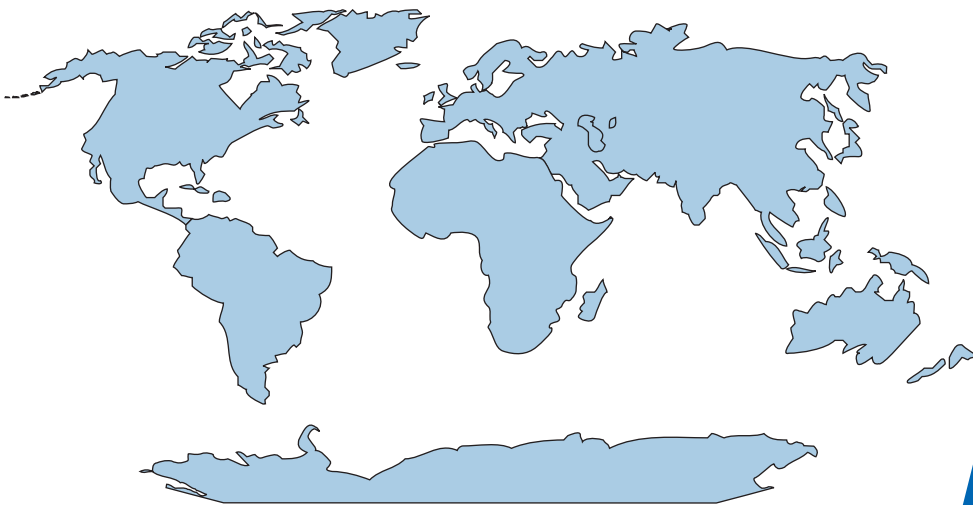


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## AN EXPERIMENTAL STUDY ON NILAMBUR TOURIST'S EXHAUSTIVE EFFORTS AND ITS EXTEMPORIZED DETERMINES

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Assistant Professor, M.E.S Kalladi College, Mannarkkad, Kerala

### ABSTRACT

*Tourism has become a popular global leisure activity. Tourism brings immense benefits to a country such as foreign exchange, tax earning for government, employment opportunities, development of the local economy, perpetuation of cultural heritage, creation of social asset like tourist attractions, preservation of arts and handicrafts and broad-based investment in transport, hotel and restaurant industries etc. Nilambur perhaps one of the biggest foreign exchange earners of the state, thanks to its cash crops like pepper, cardamom, coffee, tea, spices and other condiments.*

*Keywords: Nilambur Tourism, Tourist's Exhaustive Efforts, and Extemporized Determines*

### INTRODUCTION

Nilambur is a municipality and a taluk in the Malappuram district of Kerala, South India. It is situated close to the Nilgiris range of the Western Ghats on the banks of the Chaliyar River. It is about 40 kilometres from Malappuram city and 24 kilometres from Manjeri on the Kozhikode-Gudalur road called CNG road (Calicut-Nilambur-Gudallur road).

The natural scenic beauty of Nilambur and its natural resources offer several opportunities for tourism. The hill rocks and valley which make the very unique character of Nilambur and it provides a lot for catering to the ever increasing demand for adventure tourism.

Nilambur stand on the southern top of the Deccan plateau and its chief glory is the majestic Western Ghats with lofty ridges, interspersed with dense forest, tangled jungles and deep valleys, the terrain is rugged. Quite a large area of the district is covered by the forest.

This backward district is perhaps one of the biggest foreign exchange earners of the state, thanks to its cash crops like pepper, cardamom, coffee, tea, spices and other condiments. Most of the reserve forests in the state are in this district. The loamy soil generally shows wide variation in depth and texture with a very high content of organic matter. A large percentage of the population in this region is tribal. The native *Adivasis* mainly consist of various sects like *Paniyas*, *Kurumas*, *Adiyars*, *Kurichyas*, *Ooralis*, *Kattunaikkans*, etc.

### RELEVANCE OF THE STUDY

Tourism has been the fastest growing industry. It is a main source of income of the government. Nilambur is the main destination of adventure tourism, recreational tourism and historic tourism. Every year lakhs of people are visiting this place.

### OBJECTIVES

1. To measure the satisfaction level of tourist coming to Nilambur.
2. To measure the satisfaction of tourist with respect to the Nilambur Tourism Department.

### SCOPE OF THE STUDY

The study was intended to analyze the amount of satisfaction level of tourist visiting Nilambur. There are lots of attractive places namely

- Conolly Plot - 2 km from Nilambur Town. The plot was named in memory of H.V. Conolly, then Malabar District Collector.
- The longest Hanging Bridge in Kerala, across river Chaliyar will take one to the Conolly plot, which is just 300 metres off the Calicut-Nilambur-Ooty State Highway.
- Giant Teak, an old planted teak
- The Teak Museum, maintained by the Kerala Forest Research Institute
- Banglavu Kunnu (Bungalow Hill) at Nilambur is famous for its winding road where Ayurvedic herbs are planted on both the sides of the officers' cottages (which are now used as forest range offices).
- Aruvacode Pottery Village. 'Kumbham' and Artist Jinan has made this pottery village famous.
- Adyan Para Waterfalls, situated a few kilometers away on the other side of the Chaliyar River. It is situated 14 km from Nilambur.

- Koyippara Waterfalls (near Kakkadampoyil) is also popular with visitors. It can be reached by traveling through a side road through Akampadam.
- Nedumkayam in the Nilambur reserve forest, where one can have a close look at the elephant camp run by the forest department. It is 18 km from Nilambur.
- Elephant Training Centre, where elephants poached from the forests was trained. Huge wooden cages can still be seen, though poaching has been banned.

It is very essential to study the satisfaction level of tourists as they give much for the public revenue and helps for the various economic and cultural developments.

### **RESEARCH METHODOLOGY**

The study is descriptive in nature. The primary data has been collected through questionnaire. Convenience sampling has used and a sample of hundred tourists has selected for data collection.

The secondary data has been collected from published sources. Secondary data includes publications of tourism department of Nilambur, text books, journals etc. regarding tourism.

Tourism has become a popular global leisure activity. Tourism means traveling for predominantly recreational or leisure purposes or the provision of services to support this leisure travel. The World Tourism Organization defines tourists as people who "travel to and stay in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited". Tourism is vital for many countries, due to the income generated by the consumption of goods and services by tourists, the taxes levied on businesses in the tourism industry, and the opportunity for employment in the service industries associated with tourism. These service industries include transportation services such as cruise ships and taxis, accommodation such as hotels, restaurants, bars, and entertainment venues, and other hospitality industry services such as spas and resorts.

Tourism industry is a fast developing sector for the economy worldwide. Statistical data suggests that the tourism industry in the global scenario makes up 12% of GDP. Tourism industry trends also suggest that as many as 200 million people are engaged worldwide in the tourism industry. Statistical data opine that as many as 700 million travelers travel to international places annually. With every passing day, with the advent of latest technologies and reaching out to people becoming is a child's play. Importance of bettering relationships with the neighboring countries, establishing newer networks across the globe has taken the tourism industry to its zenith. Despite the growing importance of the travel and tourism industry in emerging markets as well as in developing economies, industry players recognize that they have an increasingly significant role to play in addressing and finding solutions to many challenges – especially those that could have a negative impact on emerging economies – without jeopardizing people's right to travel.

### **INDIAN SCENARIO**

Tourism brings immense benefits to a country such as foreign exchange, tax earning for government, employment opportunities, development of the local economy, perpetuation of cultural heritage, creation of social asset like tourist attractions, preservation of arts and handicrafts and broad-based investment in transport, hotel and restaurant industries etc.

Indian economy will be emerging as one of the top growing economies of the world. The better performance in the services sector and manufacturing industries has been one of the important reasons for this growth of Indian economy. Tourism is an important component of the services sector which has shown considerable dynamism in recent years and is poised for even more rapid growth.

As far as Kerala is concerned, the state's potential for tourism has been well accepted. Tourism is Kerala's boom industry. Strategically located at the south western tip of India, Kerala enjoys unique geographic features which have made it one of the most sought after tourist destinations in Asia. The state is a breathtakingly beautiful Greenland. Natural endowments like tranquil beaches, soothing backwaters, exhilarating hill stations, enchanting waterfalls, historic monuments, and spectacular art forms, rejuvenating health packages, exotic wildlife and year-round festivals offer excellent investment opportunities in tourism related activities. All of which offer the tourists a unique experience, which enchants him throughout his life.

The tourism industry in Kerala generates a lot of revenue for the state as tourists come from far and wide to be a part of the culture, fairs, festivals and art forms of this culturally rich land. Besides all this there is great scope for tourism in Kerala, India as this south Indian state is a storehouse of ancient temples and other monuments that reflect unique period architectural style and tell you a great deal about the people and their ways of a bygone era.

In Kerala, Tourism has emerged as one of the few economic alternatives to develop the state economy. It has been recognized as an important sector for the development on account of its potential for generating income and employment. In the context of poor prospects of the manufacturing sector and the severe threats facing agricultural and traditional sectors and the uncertainties facing expatriate employment in the Gulf, tourism is considered as one of the sectors which can drive Kerala economy to take the state to the pinnacle of socio-economical development.

#### **DISTRICT TOURISM PROMOTION COUNCIL (DTPC)**

The District Tourism Promotion Council (DTPC) is set up with the purpose of fully exploiting the tourism potential of the State through sustained efforts by coordinating various Government departments, voluntary agencies and others interested in travel and tourism.

The DTPC has a governing body with District Collector as Chairman and members from among officials, people's representatives and tourism experts nominated by the Government.

The DTPC mainly concentrates on tourism promotion activities like marketing of local products through private/public participation, improvement of quality/standards and evolving procedure for certification of all tourism products, improvement of signage's, sanitation etc by working through the local governments, heritage conservation and preservation, coordination of tourism clubs, creation of tourism awareness and preparation of host community, promotion of paying guest scheme.

#### **IMPORTANT TOURIST PLACES IN NILAMBUR**

- Conolly Plot - 2 km from Nilambur Town. The plot was named in memory of H.V.Conolly, then Malabar District Collector.
- The longest Hanging Bridge in Kerala, across river Chaliyar will take one to the Conolly plot, which is just 300 metres off the Calicut-Nilambur-Ooty State Highway.
- Giant Teak, an old planted teak
- The Teak Museum, maintained by the Kerala Forest Research Institute
- Banglavu Kunnu (Bungalow Hill) at Nilambur is famous for its winding road where Ayurvedic herbs are planted on both the sides of the officers' cottages (which are now used as forest range offices).
- Aruvacode Pottery Village.'Kumbham' and Artist Jinan has made this pottery village famous.
- Adyan Para Waterfalls, situated a few kilometers away on the other side of the Chaliyar River. It is situated 14 km from Nilambur.
- Koyippara Waterfalls (near Kakkadampoyil) is also popular with visitors. It can be reached by traveling through a side road through Akampadam.
- Nedumkayam in the Nilambur reserve forest, where one can have a close look at the elephant camp run by the forest department. It is 18 km from Nilambur.
- Elephant Training Centre, where elephants poached from the forests were trained. Huge wooden cages can still be seen, though poaching has been banned.

#### **ANALYSIS CHI-SQUARE TESTS**

<b>Comparison between Scenery and Landscape of the Destination and Sex</b>				
		<b>Very Satisfied</b>	<b>Some What Satisfied</b>	<b>Neither Satisfied nor Dissatisfied</b>
Sex	Male	60	9	2
	Female	28	1	0

#### **CHI-SQUARE TABLE:**

	<b>Value</b>	<b>Degrees of Freedom</b>	<b>Significance value</b>
Pearson Chi-Square	2.910	2	.233

Here the significant value 0.233 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the scenery and landscape of the destination.

Comparison Between Relaxed Atmosphere and Solitude in the Destination and Sex						
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied	Very Dissatisfied
Sex	Male	51	16	1	2	1
	Female	25	2	0	2	0

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	5.031	4	.284

Here the significant value 0.284 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the relaxed atmosphere and solitude in the destination.

Comparison between Availability of Communication infrastructure and Sex						
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied	Very Dissatisfied
Sex	Male	21	27	13	5	4
	Female	16	5	3	3	3

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	8.404	4	.078

Here the significant value 0.078 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the availability of communication infrastructure.

Comparison between Availability of preferred food in the Destination and Sex						
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied	Very Dissatisfied
Sex	Male	23	19	13	12	4
	Female	11	11	4	0	3

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	6.843	4	.144

Here the significant value 0.144 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the availability of preferred food in the destination.

Comparison between Quality of local Transportation to the Destination and Sex						
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied	Very Dissatisfied
Sex	Male	19	24	20	3	3
	Female	12	11	2	3	3

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	7.135	4	0.129

Here the significant value 0.129 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the quality of local transportation to the destination.



<b>Comparison between Timely availability of Tourist Guides and Sex</b>						
		<b>Very Satisfied</b>	<b>Some What Satisfied</b>	<b>Neither Satisfied nor Dissatisfied</b>	<b>Some What Satisfied</b>	<b>Very Dissatisfied</b>
Sex	Male	13	21	20	6	9
	Female	19	7	2	2	1

**CHI-SQUARE TABLE**

	<b>Value</b>	<b>Degrees of Freedom</b>	<b>Significance value</b>
Pearson Chi-Square	24.986	4	0.000

Here the significant value 0.000 (less than 0.05) shows that there is difference in the opinion of the males and the females about the timely availability of tourist guides.

<b>Comparison between Courteousness and helpfulness of authorities and staff in the destination and Sex</b>						
		<b>Very Satisfied</b>	<b>Some What Satisfied</b>	<b>Neither Satisfied nor Dissatisfied</b>	<b>Some What Satisfied</b>	<b>Very Dissatisfied</b>
Sex	Male	27	24	14	3	3
	Female	17	7	2	3	0

**CHI-SQUARE TABLE:**

	<b>Value</b>	<b>Degrees of Freedom</b>	<b>Significance value</b>
Pearson Chi-Square	7.231	4	0.124

Here the significant value 0.124 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the courteousness and helpfulness of authorities and staff in the destination.

<b>Comparison between Cleanliness in the destination and Sex</b>					
		<b>Very Satisfied</b>	<b>Some What Satisfied</b>	<b>Neither Satisfied nor Dissatisfied</b>	<b>Some What Satisfied</b>
Sex	Male	37	22	6	6
	Female	18	7	4	0

**CHI-SQUARE TABLE:**

	<b>Value</b>	<b>Degrees of Freedom</b>	<b>Significance value</b>
Pearson Chi-Square	3.742	3	0.291

Here the significant value 0.291 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the cleanliness in the destination.

Comparison between Sufficient access to drinking water and Sex						
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied	Very Dissatisfied
Sex	Male	26	25	10	6	3
	Female	16	9	2	2	1

**CHI-SQUARE TABLE:**

	<b>Value</b>	<b>Degrees of Freedom</b>	<b>Significance value</b>
Pearson Chi-Square	4.674	4	0.322

Here the significant value 0.322 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the sufficient access to drinking water.

Comparison between Availability of shopping facility in the destination and Sex						
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied	Very Dissatisfied
Sex	Male	18	23	16	6	8
	Female	10	9	5	3	2

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	1.375	4	0.848

Here the significant value 0.848 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the availability of shopping facility in the destination.

Comparison between Adequate safety and security facility in the destination and Sex						
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied	Very Dissatisfied
Sex	Male	23	24	13	6	4
	Female	12	10	5	2	1

**CHI-SQUARE TABLE**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	1.411	4	0.842

Here the significant value 0.842 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the adequate safety and security facility in the destination.

Comparison between Adequate space and safety for vehicle parking and sex						
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied	Very Dissatisfied
Sex	Male	28	23	12	7	1
	Female	20	4	4	1	0

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	7.970	4	0.093

Here the significant value 0.093 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the adequate space and safety for vehicle parking.

Comparison between Availability of tourist information from tourist information centre and Sex						
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied	Very Dissatisfied
Sex	Male	25	23	12	8	3
	Female	8	8	8	3	2

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	3.868	4	0.424

Here the significant value 0.424 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the availability of tourist information from tourist information centre.

Comparison between Willingness of staffs to assist tourists and Sex					
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied
Sex	Male	26	23	16	6
	Female	16	6	3	4

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	5.259	3	0.154

Here the significant value 0.154 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the willingness of staffs to assist tourists.

Comparison between Responses of staffs to the tourists questions and Sex					
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied
Sex	Male	30	24	9	8
	Female	18	5	4	2

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	3.825	3	0.281

Here the significant value 0.281 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the responses of staffs to the tourists questions.

Friendliness of local people					
		Very Satisfied	Some What Satisfied	Neither Satisfied nor Dissatisfied	Some What Satisfied
Sex	Male	40	19	7	4
	Female	22	2	3	3

**CHI-SQUARE TABLE:**

	Value	Degrees of Freedom	Significance value
Pearson Chi-Square	5.424	4	0.247

Here the significant value 0.247 (greater than 0.05) shows that there is no difference in the opinion of the males and the females about the friendliness of local people.

**FINDINGS**

- ❖ Most of the tourists i.e., 88% are completely satisfied with the scenery and landscape of Nilambur.
- ❖ Most of the tourists i.e., 76% are completely satisfied with the relaxed atmosphere and solitude in Nilambur.
- ❖ Only 37% tourists are completely satisfied with the availability of communication infrastructure.
- ❖ Only 34% tourists are completely satisfied with the availability of food of their preference
- ❖ About 35% tourists are somewhat satisfied and 31% tourists are very satisfied with the quality of local transportation in Nilambur.
- ❖ Only 32% tourists are completely satisfied with the availability of tourist guides in time.
- ❖ Only 44% tourists are completely satisfied with the courteousness and helpfulness of authorities and staff in Nilambur.
- ❖ 55% tourists are completely satisfied with the cleanliness in Nilambur.
- ❖ 42% tourists are completely satisfied with the sufficient access to the drinking water.
- ❖ 32% tourists are somewhat satisfied and 28% tourists are completely satisfied with the availability of shopping facility in Nilambur.
- ❖ 35% tourists are completely satisfied and 34% tourists are somewhat satisfied with the adequate safety and security facility in Nilambur.
- ❖ 48% tourists are completely satisfied with the adequate space and safety for vehicle parking.
- ❖ 33% tourists are completely satisfied with the availability of tourist information from tourist information centre of Nilambur.
- ❖ 42% tourists are completely satisfied with the willingness of staffs to assist tourists.

- ❖ 48% tourists are completely satisfied with the responses of staffs to the tourist's questions.
- ❖ 62% tourists are completely satisfied with the friendliness of the local people of Nilambur.

### **SUGGESTIONS**

- Provide more communication facilities such as mobile coverage and internet access.
- Make available the quality food with various choices through private and public undertakings.
- Make arrangements for special transportation packages which connect all important destinations in Nilambur.
- Appoint more authorized guides preferably the tribes.
- Provide soft skill development training to tourist department staffs and guides.
- Proper cleaning and maintenance system should be implemented.
- Constitute first aid and physiological clinics at each destination with recreational facilities.
- Issue instruction manuals about the history and features of the destination along with risks and safety measures concerned.
- DTPC should pay more attention for web and online support for tourist than the traditional methods.
- Plan seasonal and special tourist events which should be beneficial to local people also and ensure their participation and cooperation in tourism promotion.

### **CONCLUSION**

This green paradise, Nilambur is a municipality and a taluk in the Malappuram district of Kerala, South India. It is situated close to the Nilgiris range of the Western Ghats on the banks of the Chaliyar River. It is about 40 kilometres from Malappuram city and 24 kilometres from Manjeri on the Kozhikode–Gudalur road called CNG road (Calicut-Nilambur-Gudallur road). Nilambur Municipality comprises Area: 36.26 km, Population based on social audit report 2008-09 Male: 20659 Female: 21106 Total: 41765 Population Density: 1149 km, Female Male ratio: 1.02:1, Schedule caste: 1315 Schedule tribe: 563. Transport and Other Facilities includes such as nearest Airport - Calicut International Airport - 45 km; nearest Railway station - Nilambur Road Railway Station - 4 km, KSRTC Bus Stand is situated here (Aruvacode). KSRTC Online reservation facility is available here. There are two private bus stands in Nilambur - one located at heart of town and other at Chandakunnu.

The Kerala as a whole is well known in tourism map and its pet name is god's own country. Among the god's own country, Nilambur is a special attraction in every aspect as far as tourists are concerned. The tourists should be maximum satisfied and the ecological balance must be maintained. The authorities should be very vigil for keeping these balances simultaneously.

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**GREEN MARKETING:  
A SYSTEMATIC PATTERN OF ACCEPTABILITY AND CHANGE IN SOCIETY**

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**ABSTRACT**

*Green promoting is a procedure of an association, item or administration in light of natural qualities as it is vital segment of organization's methodology to maintain in the present business operation. Notwithstanding if not outlined legitimately it influences organization's endeavors and green showcasing effort may be influenced by green washing assertions. Organizations occupied with green promoting ought to structure their endeavors to minimize green washing dangers. Organizations selecting a standard affirmation as a piece of green promoting exertion ought to assess their choice taking into account believability, relevance and possibility. In India, current circumstance is concerned the move from normal promoting to green brand is troublesome. A large portion of the customers understand the significance of green showcasing which implies change of nature and also for business.*

*Key Words: Green promotin, Green brand, Green marketing*

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**INTRODUCTION**

Environment is the most throbbing issue of the present time. Social orders, governments, non-administrative associations notwithstanding business associations are centering their thoughtfulness regarding conquer the raising natural corruption like a worldwide temperature alteration, ozone exhaustion, strong waste, e-waste, air contamination and so forth. Individuals comprehend the hugeness of ensuring nature. Today shopper wellbeing and prosperity is influenced by nature disturbing conditions. In this manner, the customers of today are more natural delicate in their surroundings mentalities, inclinations and buys. Clients know about the natural corruption and are turning out to be all the more biologically cognizant bringing about raised yearning for eco-accommodating items and administration.

Green advertising idea has picked up force in the previous couple of years yet the pace has been moderate. In spite of the fact that advertisers and government are doing a considerable measure for advancement of green/environment cordial items however the strategic test confronted by them is the acknowledgment of the green items by the buyers. However, the buyers are ecologically cognizant yet they don't generally wind up with buying the green items o natural cordial items in view of the vagary of green item in the commercial center.

Green showcasing consolidates a wide scope of exercises, including item alteration, changes to generation process, bundling changes and in addition adjusting publicizing, yet characterizing green advertising is not a straightforward undertaking. For sure the phrasing utilized as a part of the range has changed, it incorporates: Green Marketing, Environmental Marketing and Ecological Marketing. While green promoting became a force to be reckoned with in the late 1980's and mid 1990's, it was greatly talked about before. There are a few associations who acknowledged the ideas of natural administration frameworks and waste minimizations.

Green advertising alludes to fusing an expansive scope of techniques, for example, Product alteration, Change underway procedure utilizing bio-degradable materials, changes made to bundling of item, and in addition advancing procedure of green items. Green advertising alludes to every one of those exercises performed to deliver and fulfill the prerequisite of individuals checking that these necessities happen, with least harm to nature and environment.

**GREEN MARKETING - An overview**

The majority of the general population trust that green showcasing alludes just about advancement or publicizing of items with ecological qualities. By and large, Green promoting is more extensive idea which can be connected to buyer products, modern merchandise and administrations. For instance, the world over there are numerous resorts that are advancing themselves as "eco-traveler" offices. i.e. offices that works in encountering nature or working in a manner that minimizes their effect on environment.

Green advertising is a procedure of all exercises intended to produce and encourage any trades to fulfill human prerequisites such that these necessities don't influence common habitat. The green promoting presents an expansive scope of exercises, for example, item alteration, change underway procedure and so on. Along these lines it guarantees that the interests of the association and every one of its shoppers are secured as trade does not happen unless both the purchaser and dealer are really profited. The above definition incorporates the protection

of regular habitat, which results in least impact this has on nature. For human utilization the by its temperament is dangerous to the indigenous habitat. Fundamental concern ought to be about minimizing the natural mischief as opposed to avoiding it which is impractical.

### **THE GREEN CONSUMER**

The green buyers are the main thrusts behind the green promoting process. It is they who drive buyer request, which supports changes in the ecological execution of numerous items and organizations. It is vital for advertisers to recognize diverse sorts of green purchasers. Numerous associations have observed that two out of each three purchaser is green in created nation yet creating nations like Bangladesh and India the associations has observed that one out of each six customer is green, however their ecological responsibilities shift on account of their distinctive norms, desire from makers, request and purchasing power. It is not productive to expect that green shopper is one who participates in green utilization, particularly, devours in a more economical and socially dependable way.

### **GREEN PRODUCT**

Green item focuses on the straight and substantial advantages gave by greener outline, for example, vitality productive or reused content, instead of focusing on the ecological properties them. Lessening the natural impact of the item's general execution and quality in ways that are essential devoted and steadfast green customer, as well as to all buyers. For instance, CNG (Converted common gas) use in the vehicles, super-thought clothing cleansers not just spares vitality and bundling, they spare space, cash and exertion. Naturally developed nourishment better jam soil as well as decreases the measure of poisons in water supply; furthermore better taste and medical advantages looked at than ordinary advertising. In this manner green item implies any item, which is not unsafe for nature and client too and in future, cure of negative effect of item on environment.

### **REVIEW OF LITERATURE**

Polonsky (1994) proposed a meaning of green promoting which has a more extensive center than those of different specialists and it additionally incorporates every single principle component of different definitions. His definition is as per the following:

"Green or Environmental Marketing comprises of all exercises intended to produce and encourage any trades planned to fulfill human needs or needs, such that the fulfillment of these necessities and needs happens, with negligible impeding effect on the indigenous habitat".

Associations must ensure that their activities are not misdirecting clients or disregard any control managing natural showcasing. Green promoting claims should plainly state natural advantages (Mishra, 2007). Moreover; it is to a great degree hard to build up arrangements that will manage every ecological issue. For example, systems created to oversee ecological advertising manage minimal arrangement of issues, i.e., the honesty of natural promoting claims (Schlossberg, 1993, as referred to in Polonsky, 1994). Associations can confront the danger that their current earth dependable activity can have unfavorable impacts later on. For instance, in the vaporized business, firms changed from CFCs (chlorofluorocarbons) to HFCs (hydro fluorocarbons). In any case, a while later, it was found that HFCs are additionally nursery gas (Polonsky, 1994).

Kaman Lee, (2008) "Opportunities for green marketing: young consumers", Marketing Intelligence & Planning: Different relapse investigation demonstrated that social impact was the top indicator of Hong Kong young people's green acquiring conduct, trailed by ecological worry as the second, sympathy toward self-image in natural assurance as the third, and saw ecological obligation as the fourth top indicator. Kamal Manaktola, Vinnie Jauhari, (2007) "Exploring consumer attitude and behavior towards green practices in the lodging industry in India", *International Journal of Contemporary Hospitality Management*: The customers utilizing inn administrations are cognizant about ecologically neighborly practices in India. They disparage the inns that have adjusted green practices however not trading off on administration quality. The buyers would want to utilize lodging that takes after these practices yet are not willing to pay additional for these administrations. The paper endeavors to bring out certainties in regards to client purchasing conduct towards green practices in the Indian lodging industry. The asset situation in India is dreary with respect to the water and sanitation.

Arun Kumar and N. Meenakshi (2011): trusted that Sustainable advancement and advertising is the way to future gainfulness and organizations need to embrace the accompanying practices:

- Companies that conform to the most stringent guidelines don't need to oversee separate procedures for various markets. standards of every nation in which its assembling offices are found.

- Smart organizations diminish the utilization of nonrenewable assets, for example, coal, petroleum and characteristic gas and renewable assets, for example, water and wood.
- To plan eco-accommodating items, organizations look at item life cycles and comprehend purchaser concerns. Safeguarding nature is fundamental through the eco-accommodating items and which is imperative for our own particular conservation.

Rashad Yazdanifard, Igbazua Erdoo Mercy- The impact of Green Marketing on Customer satisfaction and Environmental safety: Green showcasing is an instrument for securing nature for the future era. it positively affects natural security. In light of the developing worry of natural security, there is a rise of another business sector which is the green business sector. Shoppers need to distinguish themselves with organizations that are green consistent and will pay a premium for a greener way of life. Accordingly, green advertising is a natural insurance device as well as, a promoting system.

### OBJECTIVE OF STUDY

- To discover consumer loyalty in actualizing green promoting among organizations.
- To examine the requirements for green advertising from alternate points of view.
- To understand the acceptability of Green Marketing in the diversified demography.
- To study the present situation and capability of green promoting.

### RESEARCH METHODOLOGY

#### PRIMARY DATA

Primary data was collected through questionnaires. The questionnaire contains 28 questions which include personal details like name, age, income, marital status, and also purchase decision affected by green marketing products, repurchase decision is affected or not, how much extra you are ready to pay etc. Likert scale was also used. A random sampling strategy was carried out. A survey of about 70 consumers using Eco-friendly vehicles, Paper bags, Recyclable products and renewable source of energy belonging to Bangalore city was done.

#### SECONDARY DATA

It is obtained from existing literature, different scholar's and researcher's published books, articles published in different journals, magazines, news paper and state and government websites.

The below tables and graphs are calculated for each and every questions by collecting data through questionnaire's of 70 samples.

### ANALYSIS AND INTERPRETATION

It shows the educational level of respondents.

**Educational Level**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1.4	1.4	1.4
Graduate	36	50.7	50.7	52.1
Post Graduate	13	18.3	18.3	70.4
Under Graduate	21	29.6	29.6	100.0
Total	71	100.0	100.0	

The table indicates that 50.7% of respondents are graduates, 29.6% are under-graduates and 18.3% are of post graduates out of 70 respondents. Majority of respondents are 50.7% graduates out of total respondents.

**Current Occupation**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1.4	1.4	1.4
Employed	29	40.8	40.8	42.3
Self-employed	16	22.5	22.5	64.8
Student	25	35.2	35.2	100.0
Total	71	100.0	100.0	

The table shows 40.8% of respondents are Employed, 35.2% are Students and 22.5% are Self-Employed out of 70 respondents. Majority of the respondents are 40.8% being employed out of 70 respondents

**Annual Income of Respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	14	19.7	19.7	19.7
1-2 Lakh	19	26.8	26.8	46.5
2 lakh - above	25	35.2	35.2	81.7
Less than 1 lakh	13	18.3	18.3	100.0
Total	71	100.0	100.0	

The table shows that 26.8% respondent's income is between 1-2 lakhs, 35.2% of respondents income is more than 2 lakh and 18.3% of respondents are below 1 lakh out of 70 respondents. Majority of respondents are having income between 1-2 lakhs being 26.8% of the 100%.

**Awareness of green products to the consumer.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1.4	1.4	1.4
No	2	2.8	2.8	4.2
Yes	68	95.8	95.8	100.0
Total	71	100.0	100.0	

The table shows that 95.8% of respondents are aware of the green products and 2.8% don't have any idea about green products.

**How did you know about these products?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	4.2	4.2	4.2
Friends	22	31.0	31.0	35.2
Media	23	32.4	32.4	67.6
Others.	7	9.9	9.9	77.5
Relatives	16	22.5	22.5	100.0
Total	71	100.0	100.0	

The table shows that 31% of respondents came to know about green products through friends, 32.4% came to know about green products through Media and 22.5% came to know about green marketing by Relatives.

**Do you use any of these green products?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	2.8	2.8	2.8
Eco-friendly vehicles	15	21.1	21.1	23.9
Paper bags	39	54.9	54.9	78.9
Recycled plastics	15	21.1	21.1	100.0
Total	71	100.0	100.0	

The table shows that 54.8% of the respondents use Paper bags/cloth bags, 21.1% of respondents shows use Eco-friendly vehicles and 21.1% of respondents use Recycled plastics out of 70 respondents.

**COMPARISON OF GREEN PRODUCTS WITH NORMAL PRODUCTS**

**Are these products better than normal products?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	2.8	2.8	2.8
Maybe	10	14.1	14.1	16.9
No	7	9.9	9.9	26.8
Yes	52	73.2	73.2	100.0
Total	71	100.0	100.0	

The table shows that 73.2% of respondents are agree that green products are better than normal products, 9.9% don't agree that green products are better than normal product and 14.1% respondents agree green products may or may not be better than normal products.



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**FINDINGS AND CONCLUSION**

- The result uncovered that client's trust in eco-label and eco-brand and their impression of eco-brand show positive and noteworthy effect on their real buy conduct.
- The research discovering demonstrates that the buyers have solid inspirational state of mind towards green recyclable items and green advertising.
- It is found that most studies are done in created nations however just few of them are begun in creating nations.
- In the overview directed on green advertising, purchasers communicated a solid worry of green promoting and organizations making strides toward environmental friendliness, which helps in change of efficiency of organizations practicing environmental safety.
- If we break down the truths relating to green showcasing the final products are certain and a few buyers say that it is troublesome for all organizations to actualize green advertising.
- The overview uncovers that the execution of green items was essentially influenced by ecological convictions. Further, it is communicated as the majority of the respondents are liable to trust surely understood items and judge them in light of their past experience.
- Most of the respondents knew about green items and practices. Be that as it may, the greater part of the respondents didn't know about the activities taken for advancing green advertising rehearses by government, NGO's and business houses in India.
- According to my study, around 95.8% of the respondents know of green items, Among them 21.1% use eco-accommodating vehicles, 54.9% use paper packs or fabric sacks and 21.1% use reused items.

**CONCLUSION**

Green promoting is still in earliest stages stage and a great deal of exploration must be done on green advertising to completely investigate its potential. Green advertising is an apparatus for securing the earth for future era. Reception of green showcasing may not be simple in short run, but rather over the long haul it will positive effect on the firm.

With the danger of an unnatural weather change it is critical for reusing of paper, metals, and plastics, and so forth in a safe and earth safe way ought to end up more systematized and all inclusive. Indian business sector clients are prepared to pay premium cost for green advertising. In this way there is a requirement for green promoting and a requirement for movement in shopper's conduct and state of mind towards more natural inviting ways of life.

While firms bear a great part of the obligation of ecological debasement, eventually it is customers who request products, and along these lines make natural issues. Buyers and modern purchasers can weight associations to incorporate natural element. Green showcasing accept much more significance and pertinence in creating nations like India.

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## MORAL DEVIATION: WHITE HAT REFLECTING THE DARK SIDE

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### ABSTRACT

*Ethical hacking is gaining wide attention by organizations, employers and media because of increased issues of cyber crime and cyber security at workplace and the explosive growth of the Internet has brought many good things such as E-commerce-banking, E-mail, Cloud computing, but there is also a Dark side such as Hacking, Backdoors etc. Hacking is the first big problem faced by Governments, companies, and private citizens around the world, Hacking includes reading others e-mail, stealing their credit card number from an on-line shopping site secretly transmitting secrets to the open Internet. An Ethical Hacker can help the people who are suffered by these issues. This Paper describes about Ethical Hackers, Their Skills, Their Attitudes, and How They Go About Helping Their Customers Find and Plug up Security Holes. **Hacking** refers to the act of locating weaknesses and vulnerabilities of computer and information systems by duplicating the intent and actions of malicious **hackers**. **Ethical hacking** is also known as penetration testing, intrusion testing, or red teaming.*

*The Purpose of this study is to analyze the impact of ethical hacking on cyber security issues at workplace with the help of descriptive research.*

*Key Words: Hacking, Cyber Security, Ethical Hackers*

### INTRODUCTION

Ethical hacking, as the name suggests a hacking which is ethical. It is also called as penetration testing. This is the method which is being used by numbers of Professionals to do hacking but that is not unlawful it is rather ethical.

That is the reason it is to be called as ethical hacking. Though all the tools, tricks and techniques are used in this regard are the same as being used in hacking, but it is done with the consent of the target, that's why is not hacking it is ethical hacking. It is the technique through which an ethical hacker will discover some exposure from the hacker's point of view so that the system can be made more secure and safe

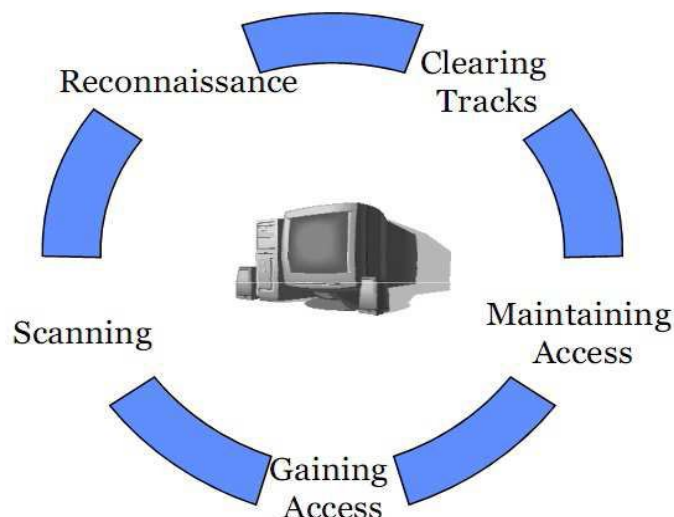


Figure 1.1

Hackers are having very measurable impact on the society. They are attracting more and younger generation. Though ethical hacking is not bad but it is also very essential to know that what exactly ethical hackers are doing for the interest of society. If we treat hacker is the person who pushes technology beyond perceived norms, there are several fields in computing where ethical hacking or ethical hackers made a measurable impact.

Now a day's internet has become the gateway for any computer to connect to the entire world, which also makes it vulnerable to attacks from the hackers across the world.

In 1986, attacks were launched against U.S. classified computer systems by Germans affiliated with the Chaos Computer Club and working for the KGB. This drama is described in the book *The Cuckoo's Egg*, written by Clifford Stoll (Clifford Stoll, *The Cuckoo's Egg*, Doubleday, copyright 1989; ISBN 0-385-24946-2). Stoll uncovered this activity after he noticed a 75-cent error in a computer account at the Lawrence Livermore Laboratories.

In 1990, a hacker named Kevin Poulson, with some associates, hacked a radio station's phone system to ensure they won a call-in contest for Porsches and other prizes. Poulson, who was also wanted for phreaking, was apprehended and sentenced to five years in prison. He was released in 1996.

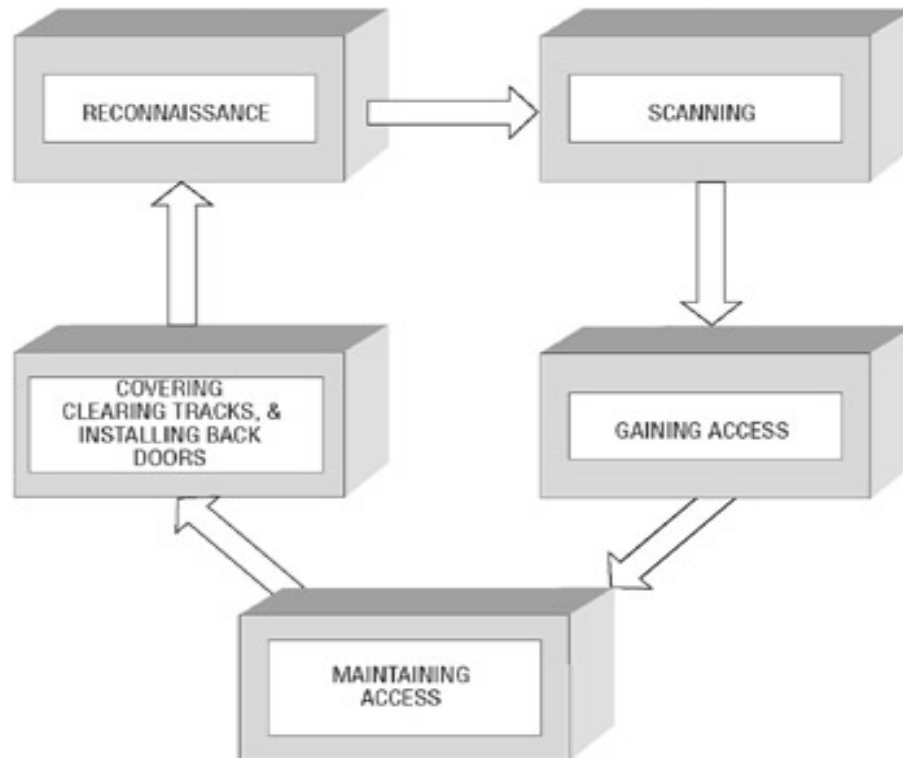


Figure 1.2

The first hacking conference, called Def Con, was held in Las Vegas in 1993 and is still held annually.

The notorious hacker Kevin Mitnick was arrested in 1995 for, among other crimes, attacks against telephone systems. Mitnick was convicted in 1989 for computer and access device fraud but eluded police and the FBI for more than two years while he was on probation. On Christmas 1995, he broke into the computers of Tsutomu Shimomura in San Diego, California. Tsutomu tracked down Mitnick after a cross-country electronic pursuit, and he was arrested by the FBI in Raleigh, North Carolina, on February 15, 1995. Mitnick pleaded guilty to charges at his trial in March 1999, and his sentence was nearly equal to his time served. He is now an independent information security consultant and author.

Also in 1995, Russian hacker Vladimir Leven and associates performed electronic transfers of \$10 million to a number of international banks. Leven was captured and tried in the U.S. and sentenced to three years' confinement. In 1998, "The Cult of the Dead Cow" announced and released very effective Trojan horse software called Back Orifice at Def Con. Back Orifice provided remote access to Windows 98 and Windows 95 computers.

In February 2000, hackers launched Distributed DoS attacks against Yahoo!, Amazon.com, and ZDNet. Microsoft Corporation's network was hacked in October 2000 by an attacker who gained access to software under development.

## 2. OBJECTIVES OF THE STUDY

The Objectives of the study are the following:

- To analyze the impact of Ethical Hacking in various organizations.
- To analyze the impact of Ethical Hacking for enhancing the operations of a Business
- To analyze the impact of Ethical Hacking on providing a platform to the Organizations to promote their on Social Networking

### 3. METHODOLOGY

The research paper is an attempt of Descriptive Research, based on the secondary data sourced from various Annual Reports, journals, magazines, articles and media reports.

### 4. RESULTS AND INTERPRETATIONS

Devices that detect physical intrusions into sensitive facilities are another important component of physical security. A variety of methods are used to detect intrusion

DEVICES	DESCRIPTION
Photoelectric sensors	Beams of invisible infrared or visible light , which are broken by an intruder
Dry contact mechanisms	Switches or metal foil tape that open a circuit when an intrusion occurs
Motion detectors	Sonic, ultrasonic, or microwave radiation that is disturbed by an intruder; infrared sensors that detect changes in temperature
Sound detectors	Microphone-type detectors that detect sound anomalies; sensitive to other ambient noises
Voice	Voice patterns captured

Table 1.1

CONTROL	DESCRIPTION
PC and laptop controls	Protection of PCs and laptops from theft; port controls to prevent use of serial and parallel interfaces; power-on password protection; laptop tethers to fixed objects

Table 1.2

#### Locks

Locks are a simple and effective deterrent to intruders. Locks vary in construction and application, as summarized in the following descriptions:

##### **Warded locks**

The common padlock that is opened with a key; subject to lock picking

##### **Tumbler locks**

More secure locks that use pin tumblers, lever tumblers, or wafer tumblers

##### **Combination locks**

Locks with dials or a series of wheels that require the correct combination of numbers to open; subject to shoulder surfing observation from other individuals

##### **Programmable locks**

Locks that can be programmed either mechanically or electronically; some have keypads with which to enter the correct sequence of numbers while others use smartcards that are read to open the lock; keypad locks are also subject to shoulder surfing

##### **Device locks/cable locks**

Locks that are used to secure equipment; these types of locks include:

##### **Cable**

Ties a laptop to a fixed object by means of a vinyl-coated steel cable

##### **Switch**

Prevents operation of switches on computers or other equipment

##### **Port**

Prevents access to ports on computers

##### **Equipment**

Controls access to cabinets or chasses

## INTERPRETATION

An ethical hacker must have a variety of in-depth computer skills to conduct business successfully. Because not everyone can be an expert in all the required fields, ethical hacking might be conducted by teams whose members' skills complement each other.

Organizations have a variety of computer systems that have to be probed, so the team must have expertise in a variety of operating systems such as UNIX, Windows, Linux, and Macintosh. They must also be familiar with the different hardware platforms and networks that they might encounter, as well as be knowledgeable in the fundamental principles of information system security.

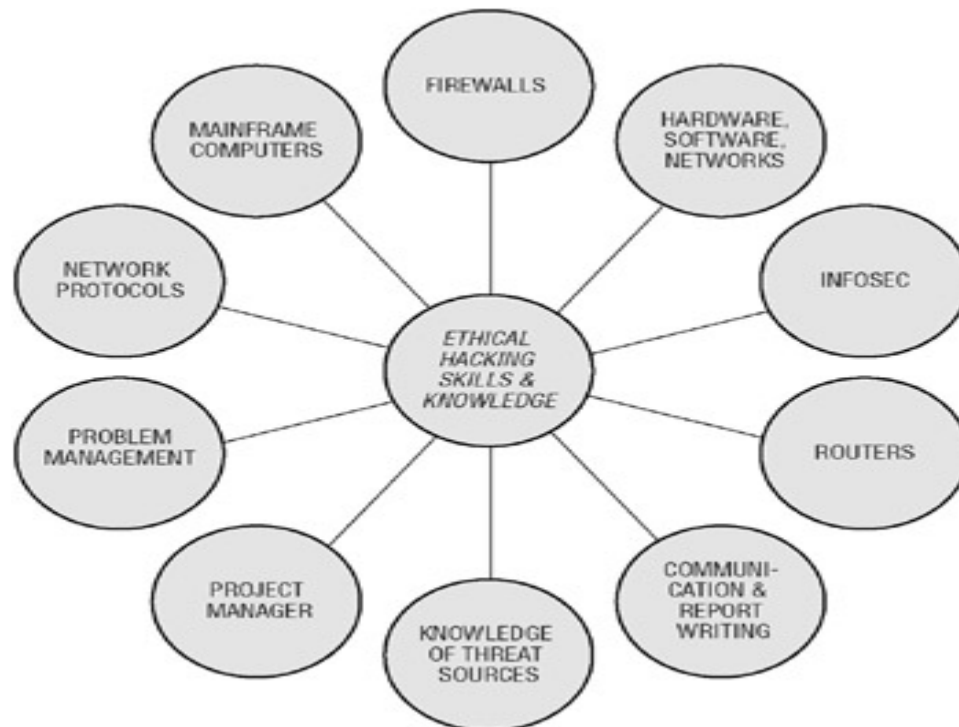


Figure 1.3

## 5. CONCLUDING OBSERVATION

Up to this point, we have described the required ethical hacker skills and ethical hacking approaches and methods. To complete the process, the ethical hacker should define the output of his or her efforts. The primary output is a report that provides a background of the project, a detailed description of the work accomplished as the result of ethical hacking, and corresponding remediation recommendations.

The report should provide a description of the ethical hacking efforts and results and compare them to the schedule agreed upon at the beginning of the project. The results include vulnerabilities and remediation recommendations treated as sensitive information and delivered to the sponsor in a secure manner. Both sides should be party to a nondisclosure agreement.

As per the data available it has been observed that though ethical hacking has its own advantages but a lot of issues emerge due to it like **Authenticity, Identification, Authentication, Accountability, Privacy and Organizational Security Policy**

Hackers and crackers have a variety of motivations and justifications for their activities. Some of these individuals believe that information should be free and they are doing their part in this cause. Hackers who conduct their activities for a cause are said to be practicing *hactivism*. Thus, their targets are any organizations that they perceive are behind social injustice. They attack government organizations and agencies, international economic organizations, and any other entities that they define as being responsible for social and economic inequities. Through their hactivism, they gain publicity for their cause and for themselves to help build their reputation. No matter what the justification, breaking into computers and networks is illegal which reflects the dark side of hacking.

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## FOREX RISK MANAGEMENT PRACTICES - A STUDY IN INDIAN SCENARIO

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### ABSTRACT

*Indian economy in the post-liberalization era has witnessed increasing awareness of the need for introduction of various risk management products to enable hedging against market risk in a cost effective way. This industry-wide, cross-sectional study concentrates on recent foreign exchange risk management practices and derivatives product usage by large non-banking Indian-based firms. The study is exploratory in nature and aims at an understanding the risk appetite and FERM (Foreign Exchange Risk Management) practices of Indian corporate enterprises. This study focuses on the activity of end-users of financial derivatives and is confined to 501 non-banking corporate enterprises. A combination of simple random and judgment sampling was used for selecting the corporate enterprises and the major statistical tools used were Correlation and Factor analysis. The study finds wide usage of derivative products for risk management and the prime reason of hedging is reduction in volatility of cash flows. VAR (Value-at-Risk) technique was found to be the preferred method of risk evaluation by maximum number of Indian corporate. Further, in terms of the*

*external techniques for risk hedging, the preference is mostly in favors of forward contracts, followed by swaps and cross-currency options This article throws light on various concerns of Indian firms regarding derivative usage and reasons for non-usage, apart from techniques of risk hedging, risk evaluation methods adopted, risk management policy and types of derivatives used.*

*Key Words: Foreign Exchange, Financial Derivatives, Hedging, Risk.*

### I. INTRODUCTION

The Indian economy saw a sea change in the year 1999 whereby it ceased to be a closed and protected economy, and adopted the globalization route, to become a part of the world economy. In the pre-liberalization era, marked by Stated dominated, tightly regulated foreign exchange regime, the only risk management tool available for Corporate enterprises were, 'lobbying for government intervention'. With the advent of LERMS (Liberalized Exchange Rate Mechanism System) in India, in 1992, the market forces started to present a regime with steady price volatility as against the earlier trend of long periods of constant prices followed by sudden, large price movements. The unified exchange rate phase has witnessed improvement in informational and operational efficiency of the foreign exchange market, though at a halting pace.

In the corporate finance literature, research on risk management has focused on the question of why firms should hedge a given risk. The literature makes the important point that measuring risk exposures is an essential component of a firm's risk management strategy. Without knowledge of the primitive risk exposures of a firm, it is not possible to test whether firms are altering their exposures in a manner consistent with theory. Recent product innovations in the financial markets and the use of these products by the corporate sector are also examined. In addition to the traditional "physical" products, such as spot and forward exchange rates, the new "synthetic" or derivative products, including options, futures and swaps, and their use by the corporate sector is considered. These synthetic products have their market value determined by the value of a specific, underlying, physical product.

The spurts in foreign investments in India have led to substantial increase in the quantum of inflows and outflows in different currencies, with varying maturities. Corporate enterprises have had to face the challenges of the shift from low risk to high risk operations involving foreign exchange. There was increasing awareness of the need for introduction of financial derivatives in order to enable hedging against market risk in a cost effective way. Earlier, the Indian companies had been entering into forward contracts with banks, which were the Authorized Dealers (AD) in foreign exchange. But many firms preferred to keep their risk exposures unhedged as they found the forward contracts to be very costly. In the current formative phase of the development of the foreign exchange market, it will be worthwhile to take stock of the initiatives taken by corporate enterprises in identifying and managing foreign exchange risk.

### II. SIGNIFICANCE OF THE STUDY

India had earlier followed a tightly regulated v foreign exchange regime. The liberalization of the Indian economy started in 1991. The 1992-93 Budget provided for partial convertibility of Indian Rupee in current accounts and, in March 1993, the Rupee was made fully convertible in current account. Demand and supply conditions now govern the exchange rates in our foreign exchange market. A fast developing economy has to



cope with a multitude of changes, ranging from individual and institutional preferences to changes in technology, in economic policies, in regulations etc. Besides, there are changes arising from external trade and capital account interactions. These generate a variety of risks, which have to be managed.

There has been a sharp increase in foreign investment in India. Multi-national and transnational corporations are playing increasingly important roles in Indian business. Indian corporate units are also engaging in a much wider range of cross border transactions with different countries and products. Indian firms have also been more active in raising financial resources abroad. All these developments combine to give a boost to cross-currency cash flows, involving different Currencies and different countries.

The corporate enterprises in India are increasingly alive to the need for organized fund management and for the application of innovative hedging techniques for protecting themselves against attendant risks. Derivatives are the tools that facilitate trading in risk.

The foreign exchange market is still evolving and corporate enterprises are going through the movements in transition from a *passive* to an *active* role in risk management. There is no organized information available on how the corporate enterprises in India are facing this challenge. It is in this context that a review of the perceptions and concerns of the corporate, in relation to derivatives and of their initiatives in tuning the organizational set up to acquire and adopt the requisite skills in risk management, assumes significance. Appropriate policy and other measures can then be taken to accelerate the process of further development of foreign exchange market and also upgrade foreign exchange risk management (FERM) with higher professionalism and increased effectiveness.

### III. OBJECTIVES OF THE STUDY

- To ascertain the FERM practices, and product usage, of Indian non-financial corporate enterprises.
- To know the attitudes, perceptions and concerns of Indian firms towards FERM.
- To understand the level of awareness of derivatives and their uses, among the firms.
- To ascertain the organization structure, policymaking and control process adopted by the firms, which use derivatives, in managing foreign exchange exposure.

### IV. CURRENCY RISK MANAGEMENT TECHNIQUES

A firm may choose any one or any set of combinations of the following techniques to manage foreign exchange rate risks.

**Figure-1: Techniques of Risk Management/Hedging**

Techniques of Hedging								
Matching	Currency Futures	Currency Options	Forward Currency Transactions	Money Market Hedging	Multilateral Netting	Leads and Lags	Currency Swaps	Invoicing and Currency Clauses

**i) Matching:-** Cash inflows in one of the pairing currencies can be offset against cash flows in the others. A firm can balance its receivables and payables in the same currency. Firms may also deliberately influence the balance by arranging short or long term loans or deposits.

**ii) Multi-lateral Netting: -** The netting can be done between inflows and outflows of different currencies arising from cross-border transactions of the different entities in the group. This, of course, requires a comprehensive information system concerning foreign exchange dealings of the group companies.

**iii) Leads and Lags:-** Within the boundaries of the terms of the trading contracts or in keeping with prevailing commercial practices and within the existing regulations, payments to trading partners or foreign subsidiaries, in currencies whose values are expected to appreciate or depreciate, can be accelerated or delayed.

**iv) Invoicing and Currency Clauses: -** Trading companies may, sometimes, have options to invoice their cross-border sales or purchases, in domestic currency, so that the other party absorbs exchange rate risk. Similar choices of invoicing in third country currencies may also be negotiated with trading partners. There are instances of invoicing in terms of *currency baskets*, comprising a composite index of different national currencies that have been allotted predetermined weights. Judiciously employed, this can help in reducing the impact of volatility of exchange rates.

**v) Forward Currency Transactions: -** This involves an agreement between two parties, a buyer and a seller, to buy/sell a currency at a later date at a fixed price. Forward currency contracts can be easily arranged with banks,

which are ADs in foreign exchange. A forward contract has the advantage of locking in the exchange rate at an agreed level, protecting from adverse movement in exchange rates.

**vi) Currency Futures:** - This involves an agreement between two parties, a buyer and a seller, to purchase/sell a currency at a later date at a fixed price, and that it trades on the futures exchange and is subject to a daily settlement procedure to guarantee each party that claims against the other party will be paid. In India, we are yet to have a futures exchange and clearing house for financial futures.

**vii) Currency Options:** - Currency options offer the holder the *right*, but not the *obligation*, to buy or sell foreign currency at an agreed price, within a specified period of time. Generally, on most exchanges, options are not constructed on the underlying market, but rather convey the right to buy or sell the futures contract. There can be exchange-traded options as also OTC options.

**viii) Currency Swaps:** - A financial swap is a transaction in which two parties agree to an exchange of payments over a specified time period. It is ordinarily marked by an exchange of principals, which may be actual or notional. In a cross currency swap, the counter-parties exchange principals in different currencies at an exchange rate that is usually the current spot rate and reverse the exchange at a later date, usually at the same exchange rate.

**ix) Money Market Hedging:-** Companies that have need to raise medium term foreign currency loans should explore the possibility of reducing currency risk by raising them in currencies in which they have medium term exposure in terms of receivables and assets in these currencies.

## V. REVIEW OF LITERATURE

Collier and Davis (1985) in their study about the organization and practice of currency risk management by U.K. multi-national companies. The findings revealed that there is a degree of centralized control of group currency risk management and that formal exposure management policies existed. There was active management of currency transactions risk. The preference was for risk-averse policies, in that automatic policies of closeout were applied.

Batten, Metlor and Wan (1992) focused on foreign exchange risk management practice and product usage of large Australia-based firms. The results indicated that, of the 72 firms covered by the Study, 70% of the firms traded their foreign exchange exposures, acting as foreign exchange risk bearers, in an attempt to optimize company returns. Transaction exposure emerged as the most relevant exposure.

Jesswein et al, (1993) in their study on use of derivatives by U.S. corporations, categorises foreign exchange risk management products under three generations: Forward contracts belonging to the *First Generation*; Futures, Options, Futures-

Options, Warranties and Swaps belonging to the *Second Generation*; and Range, Compound Options, Synthetic Products and Foreign Exchange Agreements belong to the *Third Generation*. The findings of the Study showed that the use of the third generation products was generally less than that of the second-generation products, which was, in turn, less than the use of the first generation products. The use of these risk management products was generally not significantly related to the size of the company, but was significantly related to the company's degree of international involvement.

Phillips (1995) in his study focused on derivative securities and derivative contracts found that organizations of all sizes faced financial risk exposures, indicating a valuable opportunity for using risk management tools. The treasury professionals exhibited selectivity in their use of derivatives for risk management.

Howton and Perfect (1998) in their study examines the pattern of use of derivatives by a large number of U.S. firms and indicated that 60% of firms used some type of derivatives contract and only 36% of the randomly selected firms used derivatives. In both samples, over 90% of the interest rate contracts were swaps, while futures and forward contracts comprised over 80% of currency contracts.

Hentschel and Kothari (2000) identify firms that use derivatives. They compare the risk exposure of derivative users to that of nonusers. They find economically small differences in equity return volatility between derivative users and nonusers. They also find that currency hedging has little effect on the currency exposure of firms' equity, even though derivatives use ranges from 0.6% to 64.2% of the firm's assets. Our findings are very important since no previous work has examined the FERM practice in Indian context. This study will be a pioneering attempt in Indian scenario and first of its kind to survey the Indian companies and their risk management practices.

## VI. METHODOLOGY OF THE STUDY

An exploratory survey, by way of extensive literature review of books, journals and other unpublished data related to the focus of the study, as also concerned websites, was carried out to gather background information about the general nature of the research problem.

### A. Sources of Data

The main part of the Study deals with Indian corporate enterprises' awareness of and attitudes to foreign exchange risk exposure. The required data was collected through the pre-tested questionnaire administered on a judgments sample of 501 corporate enterprises, located in different parts of the country. The administration of the questionnaire was done through multiple channels, which included surface mail, e-mail and personal involvement. Information relating to contemporary practices abroad was obtained from published sources such as journals, reports, and from related websites.

### B. Sample for the Study

The survey was accomplished with the pre-tested questionnaire administered on 501 corporate enterprises in India (banks and subsidiaries of foreign multi-nationals not included), having foreign exchange exposure. A combination of simple random and judgments sampling was used for selecting the corporate enterprises for the exploratory Study. As against the 850 questionnaires circulated, 588 responses were received. Of these, 37 had to be eliminated, as they were incomplete in many respects. The respondents are spread over 18 different major industry classifications. The sample covers both old economy corporate like Manufacturing, Minerals, Trade, Oil etc., and new economy corporate including Information Technology (IT), Information Technology Enabled Services (ITES), Business Process Outsourcing (BPO) etc., and they vary notably in size. The respondents to the questionnaire are financial executives with responsibility for FERM and for hedging foreign exchange risk exposure by use of derivatives. The Study is exploratory in nature and aims at an Understanding of the risk appetite and FERM practices of Indian corporate enterprises. It also embraces an understanding of the policy or other constraints or impediments faced by the enterprises in managing foreign exchange exposure. The Study has its focus on the activity of end-users of derivatives and, hence, is confined to nonbanking corporate enterprises. Since banks both use and sell derivatives, they have not been included in the scope of the Study. Risk management practices of Indian subsidiaries of MNCs are determined by their parent companies and, hence, they do not form part of this Study. In analyzing the responses, the Microsoft Excel Spreadsheet and the Statistical Package for Social Sciences (SPSS) have been used. Factor Analysis, using Principal Component Method, was done wherever there was need to reduce variables into factors. Correlation analysis was also done, as needed.

Figure-2

Automobiles	Information	Technology	Cement	Mining	Electricals	Electronics	Oil Industry	Entertainment	Fertilizers	Chemicals	Pharmaceuticals
10%	19%	4%	2% 4%	2% 4%	11%	4% 10%	8%	4%	4%	4%	10%

Figure 2: Profile of Survey Respondents

## VII. RESULTS AND FINDINGS OF THE STUDY

### A. Profiles of Respondents

The enterprises covered in the sample are from 18 categories of industries (Figure-2). Four sectors including Paints, Print Media, Gems and Jewellery, and Textiles did not respond. Thus, the Study covers responses from 501 enterprises. The sizes of the enterprises, in terms of turnover as well as international involvement (expressed as the sum of values of imports and exports and external commercial borrowings) varied considerably. Maximum number of responses came from the IT category, reflecting the dominance of international transactions in that sector. The foreign transactions Were mostly denominated in US dollars, with Euro, Pound Sterling, Japanese Yen, Swiss Franc and Deutsche Mark following in that order.

### B. Use of Derivatives

Among the 501 respondents, 266 companies (53%) reported using derivatives and the others are not using derivatives. Quite a few returned the questionnaire blank, with the apology that they are not using derivatives. It seems many enterprises are yet to tune in to the need for planned management of exchange risk exposure.

Factor Analysis reveals that the main factor responsible for non-use of derivatives is *confused perceptions of derivatives use*, with its components, concerns about the appropriateness of derivatives in specific situations, risk of the products and general reluctance and fear. Then comes the *technical and administrative* factor comprising difficulty in pricing and policy constraints, followed by the *cost effectiveness* factor which questions the utility of derivatives, given the high costs involved.

As to the nature of the transactions that are considered for hedging, the responses indicate that hedging is resorted to mostly in respect of transactions involving contractual commitments, rather than foreign repatriations. There also seems to be a preference to restrict the hedging horizon to less than a year.

Even among the users of derivatives, the concerns or anxieties about their use arise on several counts. Factor analysis of these, reduced them to four factors:

- (i) **Confused perception**, including lack of clarity about investor expectations, difficulties in pricing and valuing, difficulties in evaluating the risk and lack of understanding as to how to monitor and evaluate hedging outcome.
- (ii) **Policy and legal issues**, covering assessment of credit risk, inadequate support from the Board, tax and legal considerations and disclosure requirements.
- (iii) **Monetary considerations**, concerned with transaction costs and liquidity problems.
- (iv) **Lack of adequate knowledge** about the use of derivatives.

65% of the respondents were of the view that enough range of derivative instruments is not available yet. This has the effect of restricting arbitrage opportunities. A good majority felt the need for Rupee-Dollar Options (not in vogue at the time they responded to the questionnaire, but subsequently introduced in July 2003), while others wished that Exchange-Traded Futures were available.

From the above, it can be seen that the Indian corporate enterprises are somewhat halting in their approach to the use of derivatives.

### C. Why do Companies Hedge?

Responding to the question as to why companies' hedge, the most important reason adduced is 'to reduce the volatility of the cash flows'. Next in importance comes, 'maximizing share holder value' and then, 'reducing volatility of reported accounting earnings'.

### D. What Risks are Hedged?

Predominantly derivatives are used to hedge currency risk. Next in importance comes interest rate risk and to a small extent equity risk.

### E. Types of Derivatives Used

The First generation derivatives instruments are the most popular, the greatest preference being for simple Forward contracts. This is followed by Second-generation instruments, namely Swaps and Futures. Some corporate also used structured derivatives, which come in the Third Generation category. The Rupee-Dollar Options would have been largely preferred, but they were not available at the time of response to the questionnaire.

Figure-3

Credit Risk	Company Board Support	Tax or Legal Issues	Disclosure Requirements	Transaction Costs	Liquidity Risk
8%	9%	9%	8%	8%	8%

### F. Techniques of Hedging

Among the internal techniques, the *natural hedge* is the most chosen option indicating the desire of the corporate, to match to the extent possible, their foreign currency outflows and inflows. To a lesser extent, internal techniques of leads and lags are also used.

As for the external techniques, the preference is mostly in favor of *forward contracts*, followed by swaps and cross-currency options. (It may be noted that at the time the questionnaire was administered, Rupee-Dollar Options was not in existence).

### G. Risk Management Policy and Guidelines

On the question of the choice between 'hedging partially', 'hedging fully', or 'not hedging at all', the majority of the corporate (71%), are in favor of an open-ended hedging policy (hedge partially) preferring to watch and take action. 20% of the respondents say they hedge fully and 9% of them choose not to hedge at all.

Regarding risk management policy and guidelines, 50% of the responses confirm that they have a written policy. Among the others, many state that they are in the process of framing a written policy and relevant guidelines.

In most cases, the policies are evolved and approved by the Board of Directors (BOD), or by a specially appointed Executive Committee (EC). In a large number of instances (42%), the risk management decisions are taken at the level of the EC and, in most other instances (35%), these decisions are taken by the Treasurer. Only in a limited number of instances (19%), does the BOD get involved in the day-to-day decisions on risk management. 70% of the respondents say that their risk management policies are structured in a strategic framework and almost the same percentage of respondents confirm that the risk management policy is framed independently, without reference to the hedging policy of the competitors. However, 30% of the respondents do take note of the policies of the competitors, while framing their own risk management policies.

50% of the respondents have a flexible posture on the role of the top management in analyzing the foreign exchange exposure. They react to emergencies as and when needed. 40% of the respondents meet formally every quarter to analyze and take note of their underlying exposures. 46% of the respondents prefer to review their risk management policy on an ad-hoc basis, as and when needed. 24% of them have a quarterly review and 20%, a monthly review. 60% of the respondents prescribe an upper limit up to which a treasurer can trade in derivatives. A majority of the respondents make changes in their hedging strategies, in response to fluctuations in the exchange rates.

#### **H. Role of the Treasury Department**

The Treasury Department plays a significant role in overseeing and/or executing the risk management function. 40% of the respondents consider their treasury department to be 'service centers'. 28% of them view the treasury department as a 'cost centre'. Only 20% of the respondents consider their treasury departments to be profit centers. Those who regard their treasury department as profit centers, trade almost all in forward contracts, preferring to book the contracts, wait and watch the movements of the exchange rates cancel the bookings and then rebook again. This may undergo a change, with the current availability of rupee dollar options. Cross-currency options and swaps are also often utilized for speculation.

Only 20% of the respondents, who define their treasury department as profit centers, engage in pure speculation involving positions unrelated to their underlying exposures. The others maintain their positions related to their underlying exposures, watch the exchange rate movements and hedge with an eye on profits. The experiences on Treasury Department's functioning as a profit centre present a mixed picture. Many firms have reported moderate to substantial gains due to treasury department's actions and decisions with an eye on income / wealth generation. Some have also conceded that their positioning proved wrong occasionally, but they were successful in timing the market on several occasions, resulting in handsome profits. Over 90% of the respondents have less than 5 people in charge of risk management in their treasury department.

#### **I. Dependence on External Services**

Market quote services appear to be the major reference point for exchange risk management decisions. There is also notable dependence on the dealers from whom the derivatives were bought, for guidance in risk management. Accounting firms seem to be the least preferred. 90% of the respondents are happy with the expertise that is outsourced. This may be an indication of the inadequacy of in-house talent, in managing exchange rate exposure. Or, it may be that outsourcing advice is found to be less expensive and more effective. Factor analysis has short-listed three factors as the sources of guidance in exchange risk management. They are, in the order of priority, '**derivatives dealers**', '**consultancies**' and then, '**in-house expertise**'. Banks, by virtue of their active involvement in selling derivative products, have an edge over other agencies, in being able to provide specialized information, relevant to foreign exchange risk management.

#### **J. Review and Performance Measurement**

As about 60% of the respondents have a working system of review of the performance of the treasury department. Value at- Risk (VAR), Stress or Scenario Test and Price Value of a Basis Point are among the tools widely used for evaluating the risk associated with usage of specific derivatives. 34% of the respondents that use derivatives do not have a system of evaluating risks. VAR technique was the preferred method of risk evaluation by maximum number of Indian corporate. Providing information on the use of derivatives, in the published financial statements, is not yet mandatory in India. 51% of the respondents do not make any mention about the use of derivatives, in their annual reports. 22% of them provide a brief summary, 19% of them make a mere mention and 8% of the respondents report in detail. Further, 93% of the respondents feel happy with their respective risk management practices.

### **VIII. CONCLUSIONS**

The advent of Globalization has witnessed a rapid rise in the quantum of cross border flows involving different currencies, posing challenges of shift from low-risk to high-risk operations in foreign exchange transactions. The Study covers a sample

of 501 corporate falling in 18 different categories. 53% of the respondents are using derivatives. The non-users of derivatives have cited *Confused Perceptions* of derivatives use, *Technical* and *Administrative Constraints*, and *Fear of High Costs* of derivatives as reasons for not using derivatives. Even the users of derivatives have concerns arising from *Confused Perceptions regarding investor expectations, Pricing and Hedging*; they have *Policy and Legal* issues to be sorted out; *Monetary considerations* involving transaction costs and liquidity problems also pose some anxiety. Quite a few do not have adequate knowledge of the use of derivatives. *Reduction in the volatility of cash flows* is the main reason for hedging. Hedging is mostly with reference to Currency risk, next in importance being Interest Rate risk and, marginally, Equity risk. The greatest preference is for simple Forward Contracts. Swaps and Cross Currency Options are moderately used. 40% of respondents consider the treasury department as a 'Service Centre', 28% as a 'Cost Centre', and 20% as a 'Profit Centre'. There is a noticeable preference for outsourcing advice for managing currency risk exposure. In most cases, Banks provide the necessary expertise and advice. A majority of the respondents have in use, a working system of performance review. They employ tools such as Value-at-Risk, Stress or Scenario Test, etc., for evaluating risk associated with usage of specific derivatives. The Currency Risk Management practices in India is evolving at a slow pace. At the Policy, Reporting, and Operational levels, there is need for a greater sense of urgency in developing foreign exchange market fully and using the hedging instruments effectively.

The framework developed in this research is based on a mental model of a medium-to-large manufacturing company producing industrial components, as perceived by the researcher. The complex nature of the relationship between the 'risk elements' and 'decision variables' may often be beyond human comprehension without the aid of special diagnostic and analytical tools. Decisions and actions in the area of FERM may have impact on other segments and activities in the enterprise.

A larger interactive model capable of embracing all facets of enterprise-wide risk management needs to be developed. This is an area of further enquiry.

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## ROLES OF ETHICS IN PROFESSIONALISM

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### ABSTRACT

*The most important issue we are facing are the ethics of the business owing to sensational corporate scandals that had taken place in many countries which are damaging the society and economy. Quite a lot of accountants will be involved in policy choices at the individual firm or audit level, and in any case it may be argued that all should be in a position where they can understand the ethical implication of the choices which are being made by others. A narrow definition of accounting ethics for the profession may be unhelpful in that it delimits a narrow area of concern, but it is nevertheless the approach which is likely to be taken by this or any other profession, in codifying its standards. Promising high ethical and cultural practices in accounting and finance has become imperative. It is a collective responsibility of members and other stakeholders including statutory regulators. These corporate scandals question the morality of businessmen in general and accountants in particular. The accountants are the main contributors in ethical standards of a business. The focus of this paper is on ethical and cultural issues in accounting and finance. The study found that socio economic problems, institutional and supervisory meagreness and lack of professional integrity are traceable to misdeed of some personnel who belong to the subject under discussion. Laws have to be enforced strictly or amended where it is loose, to ensure maintenance of high ethical and cultural practices on the topic being discussed. Judicial orders to discover, trace and freeze the benefits accumulating from bad conduct should be possible. Hence, today ethical conduct of accounting and finance has become a topical issue. The study is explained in descriptive manner by highlighting the ethical concepts namely importance ethics in corporate scandals, Finances ethics,*

*Keywords: Ethics, accounting, finance, corporate scandals, integrity*

### INTRODUCTION

To describe ethics, it is shaped by personal, societal and professional values, all of which are difficult to specify. Some stress the importance of society's interests and others stress the interests of the individual. These conflicting viewpoints have dominated the discussion of ethics for a long time and may remain in the future as well. Thus, the term 'ethics' will have to be defined in this context.

The word 'ethics' is derived from the Greek word 'ethos' (character) and Latin word 'moras' (customs). Taken together these two words define how individuals choose to interact with one another. Thus, ethics is about choices. It signifies how people act in order to make the 'right' choice and produce 'good' behaviour. It encompasses the examination of principles, values and norms, the consideration of available choices to make the right decision and the strength of character to act in accordance with the decision. Hence, ethics, as a practical discipline, demands the acquisition of moral knowledge and the skills to properly apply such knowledge to the problems of daily life.

### PHILOSOPHICAL THEORIES OF ETHICS

Decision making based on intuition or personal feeling does not always lead to the right course of action. Therefore, ethical decision making requires a criterion to ensure good judgment. The philosophical theories of ethics provide different and distinct criteria for good, right or moral judgment.

Three prominent philosophical theories of ethics are functionalism, rights and justice. They are normative theories of ethics, which provide a principle or standard on how a person ought to behave towards others by considering the right and wrong of an action. These normative theories are divided into two broad classifications, consequential and non-consequential. Consequential theories define 'good' in terms of its consequences, and a best known example is theory of functionalism. In contrast, non-consequential theories define 'good' not by its consequences but by its intrinsic value and the best known examples are the rights and justice theories. These theories are described below.

According to this theory, the ethical alternative is the one that maximizes good consequences over bad consequences. Jeremy Bentham, who is considered as the father of functional ethics, defines functionalism as the greatest happiness principle (the principle of utility), which measures good and bad consequences in terms of happiness and pain. He wrote as follows in his book 'An Introduction to the Principles of Morals and Legislation':

"Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do. On the one hand the standard of right and wrong, chain of causes and effects, are fastened to their throne. They govern us in all we do, in all we say, in all we think."

The terms 'happiness' and 'pain' have broad meaning and encompass all aspects of human welfare, including pleasure and sadness, health and sickness, satisfaction and disappointment, positive and negative emotions, achievement and failure and knowledge and ignorance. Applying the functional principle is a procedural process involving five steps: (1) Define the problem; (2) Identify the stakeholders affected by the problem; (3) List the alternative courses of action for resolving the problem; (4) Identify and calculate the short- and long-term costs and benefits (pain and happiness) for each alternative course of action and (5) Select the course of action that yields greatest sum of benefits over costs for the greatest number of people. Thus, ethical conduct by accountants based on this theory leads to consideration of all possible consequences of a decision for all parties affected by it.

This theory takes a pragmatic and common sense approach to ethics. Actions are right to the extent that they benefit people (i.e. actions, which produce more benefit than harm are right and those that do not are wrong). Thus, the cognitive process required for functional decision making appears similar to the cost-benefit analysis that is normally applied in business decisions. However, there are important distinctions between the two concepts in relation to the nature of consequences, the measurability of the consequences and stakeholder analysis.

### **THREATS AND SAFEGUARDS**

Compliance with the fundamental principles may potentially be threatened by a broad range of circumstances. Many threats fall into the following categories

- (a) Self-interest threats, which may occur as a result of the financial or other interests of a professional accountant or of an immediate or close family member;
- (b) Self-review threats, which may occur when a previous judgment needs to be re-evaluated by the professional accountant responsible for that judgment;
- (c) Advocacy threats, which may occur when a professional accountant promotes a position or opinion to the point that subsequent objectivity may be compromised;
- (d) Familiarity threats, which may occur when, because of a close relationship, a professional accountant becomes too sympathetic to the interests of others; and
- (e) Intimidation threats, which may occur when a professional accountant may be deterred from acting objectively by threats, actual or perceived. Parts B and C of this Code, respectively, provide examples of circumstances that may create these categories of threats for professional accountants in public practice and professional accountants in business.

Professional accountants in public practice may also find the guidance in Part C relevant to their particular circumstances.

Safeguards that may eliminate or reduce such threats to an acceptable level fall into two broad categories:

- (a) Safeguards created by the profession, legislation or regulation; and
- (b) Safeguards in the work environment.

Safeguards created by the profession, legislation or regulation includes, but are not restricted to:

- Educational, training and experience requirements for entry into the profession.
- Continuing professional development requirements.
- Corporate governance regulations.
- Professional standards.
- Professional or regulatory monitoring and disciplinary procedures.

External review by a legally empowered third party of the reports, returns, communications or information produced by a professional accountant.

Parts B and C of this Code, respectively, discuss safeguards in the work environment for professional accountants in public practice and those in business.



Certain safeguards may increase the likelihood of identifying or deterring unethical behavior. Such safeguards, which may be created by the accounting profession, legislation, regulation or an employing organization, include, but are not restricted to: Effective, well publicized complaints systems operated by the employing organization, the profession or a regulator, which enable colleagues, employers and members of the public to draw attention to unprofessional or unethical behaviour.

An explicitly stated duty to report breaches of ethical requirements. The nature of the safeguards to be applied will vary depending on the circumstances. In exercising professional judgment, a professional accountant should consider what a reasonable and informed third party, having knowledge of all relevant information, including the significance of the threat and the safeguards applied, would conclude to be unacceptable.

When asked what accountants do, responses often mention roles such as tax agents and independent auditors. The functions performed by the vast number of professional accountants who work in businesses are often forgotten and not well understood.

What do the independent director, the internal auditor and the chief financial officer of companies all have in common? The individuals in these positions could all be professional accountants working in businesses. Besides these roles, professional accountants take on a vast array of other roles in businesses of all sorts including in the public sector, not-for-profit sector, regulatory or professional bodies, and academia. Their wide ranging work and experience find commonality in one aspect – their knowledge of accounting.

The importance of the role of professional accountants in business in ensuring the quality of financial reporting cannot be overly emphasized. Professional accountants in business often find themselves being at the frontline of safeguarding the integrity of financial reporting. Management is responsible for the financial information produced by the company. As such, professional accountants in businesses therefore have the task of defending the quality of financial reporting right at the source where the numbers and figures are produced!

Like their counterparts in taxation or auditing, professional accountants in business play important roles that contribute to the overall stability and progress of society. Without public understanding of all these diverging roles and responsibilities of different accounting specialists working in business, public perceptions of their value may be misinformed.

### **ETHICS AND PROFESSIONALISM**

One of the elements that many believe distinguishes a profession from other occupations is the acceptance by its members of a responsibility for the interests of those it serves. A high standard of ethical behavior is expected of those engaged in a profession. These standards often are articulated in a code of ethics. For example, law and medicine are professions that have their own codes of professional ethics. These codes provide guidance and rules to members in the performance of their professional responsibilities.

As it is previously discussed about the importance of ethics in every conduct, I would be discussing about the ethics briefly on following points:

- Roles of Professional Accountants in Business - Protectors of Public Interest
- Rebuilding stakeholder trust in business
- Perceptions of organizational ethics

### **ROLES OF PROFESSIONAL ACCOUNTANTS IN BUSINESS - PROTECTORS OF PUBLIC INTEREST**

A competent professional accountant in business is an invaluable asset to the company. These individuals employ an inquiring mind to their work founded on the basis of their knowledge of the company's financials. Using their skills and intimate understanding of the company and the environment in which it operates, professional accountants in business ask challenging questions. Their training in accounting enables them to adopt a pragmatic and objective approach to solving issues. This is a valuable asset to management, particularly in small and medium enterprises where the professional accountants are often the only professionally qualified members of staff.

Accountancy professionals in business assist with corporate strategy, provide advice and help businesses to reduce costs, improve their top line and mitigate risks. As board directors, professional accountants in business represent the interest of the owners of the company (i.e., shareholders in a public company). Their roles ordinarily include: governing the organization (such as, approving annual budgets and accounting to the stakeholders for the company's performance); appointing the chief executive; and determining management's compensation. As chief financial officers, professional accountants have oversight over all matters relating to

the company's financial health. This includes creating and driving the strategic direction of the business to analysing, creating and communicating financial information. As internal auditors, professional accountants provide independent assurance to management that the organization's risk management, governance and internal control processes are operating effectively. They also offer advice on areas for enhancements. In the public sector, professional accountants in government shape fiscal policies that had far-reaching impacts on the lives of many. Accountants in academia are tasked with the important role of imparting the knowledge, skills and ethical underpinnings of the profession to the next generation. A description of the multifaceted role of professional accountants in business is not complete without discussing the duty that the profession owes to the general public. As a profession that has been bestowed a privileged position in society, the accountancy profession as a whole deals with a wide range of issues that has a public interest angle. In the case of professional accountants in business, not only must they maintain high standards but they also have a key role to play in helping organizations to act ethically.

Closely linked to the protection of public interest is the notion that public accountants need to be trusted to provide public value. Accountants will lose their legitimacy as protectors of public interest if there is no public trust. The accountancy profession has wide reach in society and in global capital markets. In the most basic way, confidence in the financial data produced by professionals in businesses forms the core of public trust and public value. Accountants often times face conflicts between upholding values central to their profession and the demands of the real world. Balancing these competing demands speaks to the very heart of being a professional in contrast to simply having a job or performing a function. Professionals are expected to exercise professional judgment in performing their roles so that when times get challenging, they do not undertake actions that will result in the profession losing the public's trust as protectors of public interest.

Ethical codes for professional accountants globally compel professional accountants, regardless of the roles that they perform, to uphold values of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. However, competing pressures can put professional accountants in challenging and often times difficult situations. These conflicts revolve around ethics, commercial pressures and the burden of regulation.

Situations may occur where professional accountants in businesses are expected to help the organization achieve certain financial outcomes. In some of these cases, the required action may risk compromising compliance with accounting and financial reporting rules. Professional accountants in businesses encounter tension in these situations. As an example, accountants in organizations may face pressures to account for inventories at higher values or select alternative accounting methods which are more financially favourable to the company. However, these actions may be contrary to what are allowable in the accounting standards or to what the professional accountant may feel comfortable with. Professional accounting bodies globally have the important mandate of representing, promoting and enhancing the global accountancy profession. At the national level, the professional accounting body is the voice for the nation's professional accountants; this includes all professional accountants both in practice and in business. Because they play different roles in the society, the overall status of the accountancy profession can only be strengthened when *both* professional accountants in practice and in business are well-perceived by society.

Because professional accountants in business are often the only members of staff who are professionally trained and qualified in accounting in the organization, they are more likely to rely on their professional accounting body for assistance in carrying out their work. They will look to the professional accounting body to provide them with the support and resources they need in doing their daily jobs and to keep their skills up-to-date. For example, professional accountants in business may look to their subject matter experts in the accounting body for advice on how to handle ethical dilemmas. They will also be dependent on their accounting body to provide continuous professional development training initiatives to keep their knowledge and skills current. Like other professions, professional accountants are increasingly challenged to demonstrate their relevance in the capital market and their ability to evolve and face new challenges. Public expectations are high. The value of professional accountants will be measured by the extent to which they are perceived to be accountable not only to their own organizations but more importantly to the public. Professional accountants in business are a key pillar in organizations helping to create and sustain value and growth. Their ability to continue to fulfil these roles in the face of constant environmental changes is vital to their continued relevance. Professional accountants in business are also the front runners when it comes to upholding the quality of financial reporting and providing the broader public with reliable financial information.

Professional accountants in business are an important critical mass in the global accountancy profession. The same applies at the national level. Public education on the diverse roles of professional accountants in business needs to be stepped up so as to increase the visibility of these roles. Professional accounting bodies also need to

pay attention to their members in business and provide them with the support they need in order to succeed in their roles. Their voices also need to be represented. Achieving success on all these fronts will drive continued recognition by society of the value of professional accountants in business. This shapes the continued success of the accountancy profession as a whole. Ethical behaviour is difficult for any researcher to measure and analyse, especially in real-life situations. Results are often imprecise due to the challenges inherent in quantifying what is ethical and what is not. Much of the work done is theoretical, and involves either creating or applying ethics models. To draw conclusions from ethics research, due to the many variables involved, researchers must rely on judgment and assumptions as they study an individual's actions, reactions and reasoning for the individual's behaviour. Nonetheless, the conclusions drawn and models proposed in ethics research provide valuable insights into ethical behaviour, and it is an important area of academic research.

### **REBUILDING STAKEHOLDER TRUST IN BUSINESS**

One of the goals of an effective ethics program is to inspire trust in the organization. Authors Mark Bandsuch, Larry Pate and Jeff Thies note that organizations can enhance trust through the inclusion of certain key elements in corporate governance policies, specifically:

- Principle-centred leadership
- Transparency
- Stakeholder voice
- Ethical culture

While principle-centred leadership sets the tone for an organization's ethical culture and promotes stakeholder voices, trust comes from being able to "see" these features via corporate transparency. Businesses provide information to stakeholders either actively (without being prompted) or passively (having it available only upon request). A reinforcing cycle of principle-centred leadership providing transparency increases the accountability of leadership, thereby reinforcing ethical governance and responsiveness to stakeholder voices. Citing various research studies, the authors conclude that trust, based on ethical leadership and transparency, leads to increased employee loyalty and job satisfaction, which in turn fosters adaptability and productivity, resulting ultimately in overall corporate success. Given the importance of transparency to stakeholder trust, how can an organization assess how well it is doing in this area? The authors created a transparency measurement tool (TMT) to provide a framework to assist management in organizing and examining key dimensions of organizational transparency. The TMT (transparency measurement tool) assigns a score to each dimension of transparency: accuracy, comprehensiveness, relevancy, timeliness, accessibility, clarity and responsiveness. Each dimension is evaluated for major corporate categories: risk management, OSHA, stakeholder voice, financial data, management structure, ownership and BOD structure, industry standards, environmental impact, company values, and human rights. Each item is scored on a scale from 1 (unacceptable) to 5 (outstanding). Each category's total score is then either summarized or averaged to provide an overall organizational score. The TMT (transparency measurement tool) can be used as an internal management tool that looks beyond the organization's reported regulatory information to include other information relevant to stakeholders. Rebuilding Stakeholder Trust in Business, includes the TMT (transparency measurement tool) matrix. By completing the matrix, an overall transparency score can be calculated and the results used for comparisons over time and as a method of benchmarking with other organizations. Whether performed by internal personnel or by independent auditors, the assessment process itself can provide a valuable examination of the organization's practices. However, in the final analysis it is the organization's prerogative as to whether it will take action to improve its transparency to stakeholders. Thus, as is true of all tools available to management, the TMT's (transparency measurement tool) value lies in shedding light on those practices that are commendable as well as those that are not.

### **PERCEPTIONS OF ORGANIZATIONAL ETHICS**

Is it possible that top executives, charged with setting an organization's ethical tone, see its ethical culture in a vastly different light than do lower-level employees? And if so, why would this be the case? Linda Trevino, Gary Weaver and Michael Brown ("It's Lovely at the Top," Business Ethics Quarterly, 2008) use identity theory to support and explain the disconnect between top management's positive perception of the corporation's ethical environment and the less positive perceptions of lower-level employees.

Identity theory suggests that employees tend to see their organization in an overall positive light because doing so reaffirms their own positive self-identity as part of that organization. However, this "accentuating the positive" is more pronounced in senior management. This is because ascent to the top is a result of cultivating close relationships with other likeminded top members, thereby further solidifying the individual's corporate

identity. This is also reflected in a stronger organizational commitment. In addition, top management is required to represent the organization to outsiders, in other words, to be the “face” of the organization, further intensifying the individual’s identification with the corporation and the desire to see it in a positive light.

This identity bond is less strong as one moves down the hierarchy where employees are more psychologically distant from, and cynical of, their employers. While still being “good” employees in terms of performance, they nevertheless can have a less positive perception of corporate ethics initiatives than do senior managers. Lower-level employees may perceive corporate ethics programs as control instruments rather than as truly representing and cultivating an ethical environment.

The authors verified the above theories with a large survey of employees in three major corporations. Their findings showed that senior managers, compared to production and clerical workers (employees), were less likely to see ethics programs as existing to protect top management from blame, were more likely to view the ethics programs in a positive light, were more likely to believe that employees would report unethical behaviors, and were more likely to believe that employees would seek advice from management about their ethical concerns. This gap between top management’s perceptions of the firm’s ethical culture and the perception among lower-level employees can have serious consequences if it leads to a neglect of ethical leadership and management through the false perception that all employees are as positive about the organization’s ethical environment as are top managers.

## CONCLUSIONS

It is suggested that a more active involvement by top management in understanding the ethical environments of all levels of the organization is necessary to prevent unwanted consequences. Senior management should be familiar with how their employees view ethics at the organization. Top management should not rely on worker surveys but rather should create opportunities for regularly scheduled direct interactions between the two groups in open communications. It is suggested that top management participate in joint, interactive ethics training courses with lower-level workers. It is also suggested that senior executives receive regular and detailed briefings on items collected through their whistle-blower reporting centres to stay abreast of workplace concerns about unethical activities.

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## GENDER BALANCING AND BOARD SIZE AS CORPORATE GOVERNANCE STRATEGIES: IMPACT ON THE FINANCIAL PERFORMANCE OF DEPOSIT MONEY BANKS.

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### ABSTRACT

*Over the years, several measures have been proposed as mechanisms in the enthronement of good corporate governance which is the framework and processes by which an entity is run to achieve desired outcomes. The size of the board size and its composition are some of the measures that are meant to enhance performance, build credibility and integrity in the interest of the business owners and other legitimate stakeholders. This paper examines on the basis of agency theory the influence of board size and gender diversification as corporate governance mechanisms in the financial performance of selected deposit money banks in Nigeria. Data were collected from annual reports of 15 (fifteen) commercial banks and statistical models were built to examine the relationships between the variables using panel data technique. From the study, we observed significant relationships between board size and financial performance and no significant relationship between proportion of female directors and financial performance of the studied banks. We thus recommended that board size should be used as a tool to stem the tide of distress in the sector and that since the presence of female directors and financial performance are not significantly linked, banks should rely only on capacity and competence in making board and senior management appointments.*

*Key words: Board size, Gender diversification, Financial performance*

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### 1. INTRODUCTION

The size and composition of the board of directors have been proposed as some of the measures through which corporate governance can impact on the financial fortunes of a company. Historically, the genesis of corporate governance, could be traced to the point where business owners were removed from the direct management of their businesses because of the growth and expansion of these businesses. Governance processes and practices which predated 18th Century Britain began to gain prominence in the United States and other parts of Europe in response to challenges that existed between the 18th and 19th centuries (Uwuigbe, 2011).

As a management tool, corporate governance can be approached either from the narrow or the broad spectrum. According to Olayiwola (2010), the narrow view concerns governance architecture within the corporation while the broad focuses on interactions within the firm, the market and the society. Both perspectives however are geared towards the goal of corporate value addition, profit maximization and stakeholder satisfaction. The import of appropriate governance is thus gauged through the development of service delivery capacities, instilling transparency and accountability in operators as well as effectiveness and efficiency in meeting corporate objectives and responsibilities. In effect, the core goal of corporate governance is to provide a model for managing a company to improve profit and shareholder value while recognizing and ventilating the interest of stakeholders (Jenkinson and Mayer, 1992).

Corporate governance had largely been viewed from the prism of the banking and finance sector because this is a key part of the economy which has been globally recognized as the pivot on which the whole economy revolves. Governance in the banking sector therefore requires ever prudent management of resources and the preservation of corporate assets, maintenance of international best practices in ethical and professional standards and the pursuit of corporate norms and values. Uwuigbe pointed out that in financial institutions, inappropriate governance methods usually manifests in ineptitude and profligacy by the board and management, conflict of interest, insider abuse, high non-performing loans, other forms of corruption and losses (Uwuigbe 2011).

Though the basic ethos of corporate governance which are founded on transparency, accountability and integrity are universal, various countries and corporations have developed different devices. Some of these are derived from the OECD code, report of the Cadbury commission, guidelines from the Basel Committee, and the South African King's report. The principles covers inter and intra agency relations, organizational set up, resource mobilization and management to achieve set goals and objectives. Economic theory categorized these relations into two broad groupings, namely internal and external governance mechanisms, with each having consequences on the performance of the company. Good internal governance requires each firm to have well defined structures where lines of authority, roles as well as channels of communication are defined. Such mechanisms ensure checks, balances and oversight roles that leads to accountability, transparency, prudence and good performance (Adeusi et al 2013).

Internal mechanisms therefore cover issues like management and board size and composition, internal audit, communication channels etc. The nature and responsibilities of the board makes them germane in internal governance and in improving the economic fundamentals of the firm. When the board efficiently and effectively performs its roles, the financial worth of the company stands to be better. For the board to play its role successfully, it should be well balanced and independent. It should therefore comprise of qualified, competent and experienced members and of the right numbers. Independence can guarantee rationality in decision making as directors are more prone to monitor the management, ensure compliance with laid down standards and policies without let or hindrance. Similarly, board size should not be too large to become super flux or too small to become ineffective (Iskander and Chamlou 2000).

External governance mechanisms on the other hand consists of actions by external bodies like regulators, markets, corporate entities, shareholders and debt holders and the Annual General Meeting in some cases. Shareholders are the owners of the company but are usually not engaged in management. They therefore play an important role by utilizing their vote during general meeting where issues such as constitution of board, hiring of chief executive, mergers or acquisition, business policy or strategy are decided (Rose, 1999).

Whether internal or external, sound corporate governance incorporates performance management and should lead to profitability by checking abuses and enhancing better decision-making. Governance codes aims at strengthening the growth of the industry and ultimately lead to increase in share and corporate value. If a firm imbibes the proper governance values, chances are that it will stand proudly while those that do not stand to fall miserably. However, evidence that support a direct link between the quality of corporate governance and financial wellbeing of a company is not overwhelming (Imam, 2006).

The objective of this paper is to interrogate the correlation between some corporate governance indicators and financial performance in the Nigerian deposit money banking sector. Specifically, the study was driven by the need to examine the link between board size and gender diversification or the presence of female directors has any effect on the financial performance of deposit money banks in Nigeria. It therefore addresses the following research questions:

- i. To what level does the size of the board as a corporate governance index impact on the success or failure of commercial banks in Nigeria?
- ii. To what extent does the proportion of female directors as a corporate governance tool affect profitability in Nigerian commercial banks?

Deriving from the questions posed above, the under-listed hypotheses stated in their null form are formulated;

H<sub>01</sub>: There is no significant relationship between board size and financial performance of commercial banks in Nigeria;

H<sub>02</sub>: There is no significant influence of the presence of female directors in the financial performance of commercial banks in Nigeria;

The study covers 9 (nine) years (2005-2013) operations of 15 (fifteen) out of the 21 (twenty one) existing deposit money banks in the country. The year 2005 was taken as the base because it marked the point of reference of the commencement of banking reforms which laid the foundation for the post banking consolidation governance codes for the Nigerian banks. The study period is long enough to allow banks to have adopted and implemented the CBN code of corporate governance and long enough for an evaluation of the influence of corporate governance in the financial standing of the selected banks.

## **2. LITERATURE REVIEW**

Our theoretical framework in determining the influence of board size and gender balancing as corporate governance indicators on the financial performance of Nigerian banks shall be based on the agency theory. The deployment of this theory in explaining issues concerning governance in corporate entities has become inevitable and very popular because the ownership of large corporation has increasingly become vested differently from the management of such corporations whose responsibility includes guaranteeing the profitability of the firm.

Agency theory as a base for research on corporate governance indicators is traceable to economic theory. This according to Daily, Dalton and Canella (2003), is because of the theory's uncomplicated and easy to comprehend fashion which reduces the corporation to two primary participants, namely the agents and the principals. Agents are employees engaged by the principals or business owners to undertake tasks which they

cannot handle by themselves at the moment for a reward. Secondly, the perception of humans as being self concerted is generally implicit in the presumptions in the theory. The theory therefore clearly lays bare the quandary arising from the parting of ownership and management, and provides an avenue of explaining relationships where the two parties' interests seem contradictory and how to resolve them.

Jensen and Meckling, (1976) averred that in a principal - agent relationship, an agency dilemma or principal - agent impasse may arise because sometimes the agent could be motivated to act in an interest other than that of the principal which he/she is meant to represent. As a consequence, there could arise an agency loss to the principal from the actions or inactions of the agent. This loss is represented by a cost, defined by the degree to which the monetary remuneration to the principal falls below the expected value, if they had direct managerial control of their investment. The theory is thus fashioned along the concept of a relationship where the principal through a contract assigns specific responsibilities to an agent on mutually agreed terms. It posits that so long as management of a business is removed from its owners, so long would there arise potentials for problems.

According to Eisenhardt (1989), problems could also arise when there is a variance in goals, understanding or attitudes of the principal and the agent or when one party cannot ascertain what the other is doing in relation to the relationship. It therefore focuses on determining the best possible contract that will ameliorate the relationship to the mutual satisfaction of all parties. It advocates a combination of carrot and stick processes which could reduce agency loss by instituting enticements for hired hands to reward them when they maximize the interests of the owners and put a check on their opportunistic tendencies through the institution of oversight by the board.

In their study, Adeusi, et al (2013), uses agency theory to demonstrate the relationship that could exist between shareholding and performance and how this can be evaluated. They pointed out that agency loss and the absence of sound corporate governance is likely to result in under performance by agents. This would ultimately result in disaffection by the shareholders and unpleasant consequences in the macro economy such as that which occurred in some East Asian economies in 1997.

Historically, agency theory resonates around a positivist school and a principal-agent school of thought, both of which share similar assumptions about the concerned persons, corporations and information as well as bearing a common unit of analysis. According to Eisenhardt (1989), the former approach is focused on identifying and highlighting situations where the principal and the agent have varied interests and then prescribing governance processes or actions that will limit the effect of the agent's presumed self-serving behaviour. From a theoretical perspective, the positivist school has been more concerned with prescribing governance infrastructure that could resolve the agency predicaments. Jensen and Meckling (1976) used the ownership composition, including equity by managers to equalize the interests of owners and managers. They analyzed the role of the board and other internal governance structures as intervention mechanism that owners may use to keep an eye on the excesses of managers and concluded that an efficient governance will result in better corporate performance.

Governance apparatus, highlighted in the positivist stream reveal that from the onset, contracts based on shared outcomes which are negotiated between the principal and the agent are effective in curtailing the excesses of any delinquent behaviour. The explanation here is that such contracts align the wellbeing of both parties because the rewards for the principal and agent are dependent on the same actions or inactions of both parties. This invariably leads to a gross reduction of areas of conflict between both parties. Furthermore, it is proposed that a good measure of backward and forward information flow system that keeps the principal always abreast of actions of managers and the agent abreast of the vision and expectations of the principal tends to work against agent misbehaviour (Fama and Jensen 1983).

Despite the acceptance of agency theory as a basis for corporate governance investigations, some researchers have found discrepancies in the theory. For instance, Freeman (1984) suggested a re-thinking of the principles that recognizes only owner-manager positions. He argued that limiting our analysis only to these, may portray the company as being impervious to the interests of other stakeholders. He therefore recommended an extension of such recognition to all other stakeholder groups. Another criticism was that proponents of the theory viewed staff as always self-serving and opportunistic who do not have the interest of the shareholders at heart. In real life, we have found that this may not be the case in all cases. These and other considerations provided the basis for stakeholder theory (Freeman, 1984).

Donaldson and Davis (1991) questioned the "model of man" hypothesis which agency theory presumes and which portrays everybody as pursuing a selfish agenda. They argued that despite the obstinacy in humanity, there exist other "models of man" motivated by other considerations. Some of these are quest for achievement or overcoming tasks, consideration for others, need for responsibility, leadership and recognition, concern for

environmental, communal and religious interests. These and other considerations could result in personal and corporate goals eventually having a common ground or coming together.

### **OVERVIEW OF CORPORATE GOVERNANCE PRINCIPLES AND STRATEGIES**

Nworji, et al situated the origin of corporate governance as an academic discourse to Adam Smith's work of 1776 and pointed out that the concept was given greater impetus by the 1932 work of Berle and Mean whose theme was on the excision of ownership from management of businesses. Thereafter, the subject matter appeared to have receded only to pop up when public analysts were trying to understand the astonishing collapse of corporations like Enron, Global Crossing and World Com at the beginning of this millennium. Since public funds were used to bail out these firms, governments and business owners are now very keen in how large companies are managed. Promoters of corporate entities are anxious to know how independent the board of directors of their companies are, how shareholders rights are preserved, how such companies keep management in check, how they disclose relevant corporate information, and how reliable corporate record are (Nworji, et al, 2011).

After Adam Smith, corporate governance shifted to an interaction of multi-disciplinary perspectives crisscrossing economics, finance, accountancy, sociology, marketing, management and psychology. This has however not stopped the subject matter from taking its place as very critical in providing the framework for the stability of a nation's economic system through its impact on the lives and sustainability of the various business entities that make up the nation's economy. Because of this, corporate governance has continued to rightly receive prominence in public discourse. Corporate governance and its strategies has therefore been described as one of the fundamental metrics that contribute to the state of health or otherwise of any organization and its ability to meet its organizational objectives and survive economic turbulence. This state of health revolves around the strength of the organization's components and the inter-linkages between them in pursuit of the common goal. It includes both internal and external procedures and processes that guide and ensure an efficient and effective service delivery (Uwuigbe, 2011).

Despite its role in the financial sector, it was observed that empirical studies on the subject in budding economies was given scant attention by most researchers until the collapse of the conglomerates mentioned earlier. The situation could actually be a replication of what had transpired in advanced countries where prior empirical studies were not approached differently. According to Coglianese, et al. (2004), the clamor for corporate governance is predicated on the fact that stakeholders now demand accountability, probity, transparency and responsibility in corporate ethos and require proactive action by regulatory and supervisory authorities aimed at improving service delivery and returns on investment. They hold the view that corporate governance posits the relationship of the company to its shareholders and between the company and the host community. Its responsibility is thus to resolve collective action, challenges and conflict of interest that may arise among the different stakeholders. In all of this, transparency is identified as critical to corporate governance as it brings about trust and encourages openness between staff, management and owners.

Iskander and Chamlou (2000) approached governance through the firm's perspective and the public policy perspective. They looked at the former through optimizing performance by efficiently meeting financial, operational, legal, communal and other commitments. In pursuit of this, the board and management strives to achieve a balance in the interest of owners and other stakeholders. The later perspective on the other hand revolves around pushing the company to ensure effective compliance with operational best practices with regards to transparency, disclosure, regulatory requirements and accountability in the course of doing business. Both perspectives ventilate a platform for governance that reveals the relations between in-house and other interests that results in corporate behaviour and ultimately, corporate performance.

Theoretically, the fundamental principles of corporate governance are the same no matter the sector, region or size of operations, though precise strategies and practices may be organization or country specific. The framework for the most acceptable foundation for the rules of conduct and governance in organizations were formulated by the OECD to align with other efforts in firming up structures for corporate governance, guiding regulators especially in the financial sector. The OECD principles not only provided the benchmark on which national and sub-national corporate governance codes are developed but has also been promoted as one of the Financial Stability Forum's key standards considered essential for stability and economic buoyancy. They also formed the plank on which the World Bank bases its review of observance of governance standards and codes. The principles were officially published in 1999 to support governments' attempts in making better the statutory, institutional and supervisory framework that strengthens governance and financial performance. At that time, the OECD principles were not obligatory, but meant to provide a loose trajectory for each country to modify and apply in response to its own peculiar conditions (OECD, 1999).



From 1999, the principles recorded modest acceptance but in 2002, the OECD together with 30 countries reviewed the principles. The new principles were promulgated in reaction to numerous corporate financial crises that impacted negatively on investor confidence and to reflect heterogeneity of nations. The main features of the new code was highlighting the importance of a structure that advances efficient markets, provides for effective enforcement and delineates different roles for supervisory, regulatory and enforcement authorities. These codes however retained the loose, principles-based recognition of the necessity for implementation to be adapted towards varying peculiar circumstances. They improved the basis for effective governance which was only implicit in the earlier version and guarantees effective exercise of ownership by shareholders while dealing with conflicts of interest in the firm. The new principles reckoned that a dynamic relationship is germane in creating good value in business and requires an appreciable form of stakeholder engagement in governance. It also provides protection of "whistleblowers" including confidentiality. Staff are recognized as important stakeholders and their roles are complemented by rewards and penalties to encourage compliance with rules and regulations. The principles also recognized rights of creditors by stating that governance should be complemented by an effective, efficient framework for enforcement of creditor rights. Finally, the articles covering configuration, procedure and duties of the board have been buoyed by clearly specifying responsibilities in relation to ethics, compliance with laws and standards, oversight and financial reporting systems (Kirkpatrick, 2004).

### **GENDER, BOARD SIZE AND BANKS PERFORMANCE**

Empirically, corporate governance is not limited to any sector of the economy. However, of all sectors and types of businesses, it has been argued that banks probably require corporate governance the most. This is based on the nature of their operations and the fact that majority of the funds available to banks are sourced externally through depositors and creditors. The implication is that if the bank fails, the failure will rub off on many more persons and institutions rather than the bank alone. Because of this, the banking sector provides a ready and important perspective in investigating corporate governance indicators and how it propels financial wellbeing of the firms (Coleman and Nicholas-Biekpe, 2006).

Board size refers to the numerical composition of the board of directors and shows the full complement of directors both executive and non-executive as well as foreign and indigenous directors. While gender balancing or diversification is the introduction of a mixture of both male and female gender in the board of directors of the firm in question.

In terms of gender balancing, experience has shown that in the Nigerian banking sector, women have not been very active both at the board cadre. The reason for this may be as a result of the disproportionate level of ownership of capital and power in the economic and political landscape. There is hardly any woman who chairs the board of any of the existing banks and even as board members, the female gender is not adequately represented. Advocates of gender equality have therefore been fighting for better representation of women in positions of responsibility generally. Researchers have however not engaged much on studies to investigate the influence of gender diversification as a corporate governance mechanism on the financial performance of deposit money banks in Nigeria. This is one of the apparent openings that we intend to close with this study.

There however are some studies from other places and other sectors that we could draw from to support this study. In these studies, there is no conclusive evidence regarding the direction and levels of association between gender diversification of boards and performance. For instance, Ekadah and Mboya (2012) examined how gender diversity affected financial accomplishments of banks in Kenya between 1998 and 2009 and observed that the boards of Kenyan banks were dominated by the male with less than 10% representation by women. Their finding however, was that gender did not play any significant role in the performance of the banks studied. Garba and Abubakar (2014) investigated how gender diversification in the board of some insurance companies in Nigeria affected their financial performance and found a positive relationship between the two variables. Akindele (2011) investigated gender and racial differences in the Nigerian banking industry focusing on the correlation between gender and racial differences on the performance of bank workers. He concluded that gender generally imperil workers performance and that competences rather than gender should attract reward.

Financial performance is an accounting measure of a company's health and is calculated in terms of the capacity to generate sustainable profitability. In other words, it measures in monetary terms how the company uses resources to earn income. Profit is the fundamental guarantee against losses as it promotes the capital position of the firm and strengthens profitability through reinvestment of earnings. The key drivers of financial wellbeing are prudence, cost savings, increased output, efficiency, proper management of risk and control. Performance is usually presented in a number of either traditional, economic or market-based indicators such as

returns on investment, returns of assets or profit. The economic indicators take into account expansion of share value creation and assessing for any fiscal year, the profit or loss generated. The indicators basically finds efficiency as a key performance factor but come with very high level of information requirements. In banking, traditional measures such as return on assets (ROA) and return on equity capital (ROE) are the most popular, while market-based indicators characterize the manner the capital markets value the activity of the company, in comparison with its estimated economic value (European Central Bank, 2010).

Simply, ROE measures the rate of returns that accrues to the business and approximates the net benefit that shareholders received from their investment. ROA indicates how well a firm is doing when considering its total assets and demonstrates management efficiency in converting assets to profit. ROA ratio is computed by weighing net income against average total assets, and presented as a percentage and a higher ratio, connotes better efficient management in asset utilization. However, to meet requirement of asset-base differentials by some firms, the ROA is used with caution. Similarly, if peer comparison is the goal, it is germane that the enterprises being reviewed are similar in product line and size. The ROE however, seem to be the most popular internal performance measure as it reveals to shareholders whether their investment is well employed or not. Other features of the ratio is that it presents an express evaluation of the return of the investment by shareholders, is easily accessible by analysts and allows industry and overall market comparisons (Rose 1999).

The main difference between both ratios is that while ROE estimates how well the firm applies profit to generate more earnings, ROA evaluates how well the company utilizes assets in generating profit. In other words, ROA as a profitability or performance indicator is the ratio of net income to total assets in any financial year. The higher the ROA, the more the company earns returns on a smaller investment. In the same manner, a high ROE means the company is more likely to generate cash internally. Though recognized as a proxy for profitability, ROE may be misleading when used in assessing a firm with a high amount of debt in its capital structure. Other weaknesses is that ROE is not risk-sensitive, and does not discriminate between companies that are doing exceedingly well from others in terms of sustainability of their balance sheets. Finally, the ratio is a short-term indicator and does not take into account issues that have a longer life span. To make better meaning, a high or low ROE needs to be interpreted in the context of the debt-equity relationship of the firm that is being evaluated (European Central Bank, 2010).

Banks perform very critical and sensitive roles in any country. Being custodians of monetary policies and the conduit through which financial transactions take place, it is germane that their health status remain of critical importance to policy makers. Effective governance which incorporates good risk management is evidently critical to a stable financial system. The objectives of banks could be roughly classified into protection of the interest of the shareholders, and meeting the expectations of other external stakeholders. This therefore underscores the role of corporate governance in the performance of banks in meeting the above objectives. Statutorily, the board has a critical role to play in meeting these objectives. Profitability of banks is therefore linked to how well the board understands and performs its duties. The boards set targets for management and provide the necessary budget for implementation. Any management that falls short of such targets face the wrath while achievers are rewarded. Therefore, the adaptation of corporate governance as a trajectory of putting the sector in good stead must be hinged on an understanding of the extent to which regulations impact on the bank owners' assignment of decision-making roles to the board and management (Coleman and Nicholas-Biekpe, 2006).

Crespi, Cestona and Salas (2002) posited that governance in banks encompasses all practices and processes by which owners motivate staff to drive the profit and value-maximizing policies by finding the right balance and protecting individual, corporate and communal expectations. These mechanisms may be external, through the market for corporate power and the intensity of competition or internal by institution of internal audit and other interventions. From this, governance must be recognized as a vital ingredient in the good management of banks. In this viewpoint, the Basel Committee on Banking Supervision remains one of the most authoritative references on corporate governance and banks financial performance. In its report, the committee avers that from a banking point of view, governance is all about the method in which the operations of the banks are run. This thus affects how objectives and goals are set by the board and how the management undertake their operations. How stakeholders interests are considered and aligned to corporate activities and behaviours. It also involves protecting the interests of depositors and performing their corporate social responsibilities.

King and Levine (1993) underscored the critical place of corporate governance in how banks fare in developing countries and noted that commercial banks have an eminent place in the financial system being the key drivers of socio-economic policies and growth. Furthermore, they emphasized that as financial markets are still nascent, deposit money banks in such economies are the surest source of investment funds as well as providing an

avenue for finance-based transactions. Banks are also the main reservoir and custodians of earnings. However, in relation to governance in the banking industry, each country develops mechanisms that are suitable for use in measuring the level of compliance by banks. These mechanisms can be regarded as the performance indicators of corporate governance in any bank in such countries. Some of these according to Nwinee and Torbira (2010) include the position of the chief executive officer as relates to board chair, composition and frequency of meeting.

Akpan and Riman (2012) described the Nigerian banking industry when juxtaposed with the economic growth and development of the country as complex. They observed that the objectives of the sector had gone through several variations such that for each period in time, one could identify different goals. These goals according to the macroeconomic policies include macro-economic stability, balance of trade equilibrium, employment creation, infrastructural or product development, security and so forth. The industry for a long time was characterized by inefficiency and poor skills, low productivity, inadequate supervision, poor financial inclusion and poor customer base. Recent banking reforms which commenced with recapitalization could thus be traced to the failures that arose from the observed ignorance, unethical conducts, and other society challenges. The new minimum capital requirement which was introduced in 2004, created some temporary relief and guarantee of protection to investors, depositors and creditors.

Despite the gains of recapitalization, a review of the operations of the banks showed that the industry was in dire need of further reforms (Kama, 2006). The reforms envisaged, were targeted at revolutionizing the mode of banking operations to remove the noted problems which came with a new code of corporate governance in 2006. The code prescribed basic requirements for shareholding, size and composition of board and management, insisted on transparency in business dealings with all stakeholders, disclosures, internal control mechanisms and so forth. Studies on corporate governance in banks when considered in relation to their financial performance has always looked at issues from the static or dynamic point of view. In their assessment of the relationship between ownership of banks and some governance indicators, they concluded that by improving the investment profiles of senior managers and the board, there will be a positive impact in the financial performances of such banks (Akpan and Riman 2012).

Mak and Li (2001) evaluated companies on the Singapore Stock Exchange and observed that the direction and significance of the correlation between board size and firm's accomplishment responds only to the statistical estimation method. They therefore inferred that the innate features of any board are emblematic and neglecting to recognize this may lead to a misleading conclusion that a significant relationship exist between this indicator with performance. Similarly, Mak and Kusnadi (2002) observed an opposite relationship between the size of the board and enterprise value based on a study comparing firms drawn from the Singapore and Kuala Lumpur stock exchanges. Their findings agreed with Healey (2003) who posited that outsized boards are less helpful in performing their responsibilities and thus in financial performance.

Manas and Saravanan (2006) found no correlation between this indicator and corporate governance in commercial banks in India, while Sanda, Mukaila and Garba (2005) concluded that, corporate financial accomplishment is positively and significantly linked with small as against large boards in Nigeria. They accordingly recommended a maximum board size of 10 for banks. Anderson, Mansi and Reeb (2004) rather examined the interrelationship between the board size and debt to assets ratio and observed that businesses with bogus boards tend to have relatively lower cost of financial liability. At variance to the belief that larger boards are inefficient, they concluded that such boards through the critical advisory role which they play, gain better access to low-cost debt. Abdul-Quadri and Kwanbo (2012) also found that board size relates to the firm's potential profit position but it does not present a noteworthy impact on financial performance.

It has been postulated that theoretically, current share price approximates the best indicator of corporate performance since it reflects the company's market perception and evaluation. However, in practice, this indicator is seen not to be dependable in all cases, especially in the banking industry since some bank shares are usually not actively traded in the international or national market. This has led to the widespread adoption of proxies such as ROE and ROA as suitable indicators of financial performance of banks (Nworji, et al, 2011).

In contrast to other factors, a reasonably unambiguous opposite directional relationship appears to prevail between board size and financial performance. An oversized board is believed to be unhelpful in intrinsic discussion of critical matters and more susceptible to be bogged down by free-rider challenges among directors in their oversight responsibilities. Eisenberg, Sundgren, and Wells (1998), in their study of a section of micro, small and medium businesses in Finland found an inverse correlation between board size and corporate value, meaning that smaller boards are responsible for better financial performance. Jensen (1993) also confirmed that limiting board size to a manageable number would advance corporate accomplishment because the advantages

of large boards are dwarfed by the challenges of information dissemination and decision-making inherent in such bigger groups. He posited that when a board turns out to be bigger than 7 or 8, it becomes unwieldy and less prone for control.

Most studies on corporate governance are hinged on agency theory which states in summary that better governance should ipso facto lead to enhanced financial accomplishment, because of a reduction in agency costs, attributable to healthier supervision. This is supported by Gompers, Ishii and Metrick (2003) who provided proof of a positive bond between corporate governance and financial performance which they linked to agency rationalization. The correlation between corporate governance and performance are mostly ventilated through the relationship with governance practices such as bank ownership, membership or composition and size of the board and shareholder activities.

Despite this, empirical evidence suggests that the relation between corporate governance indicators and performance are mixed. For instance, Nworji, et al (2011) found that the governance code that was earlier introduced by the CBN for banks if properly implemented would always be adequate and suitable in controlling bank failure in Nigeria. This position was supported by Onakoya, Ofoegbu, and Fasanya, (2013). However, according to Adeusi, et al (2013), conventional corporate governance structures are rather weak and insufficient in Asian economies to assuage the agency problems in these companies. They therefore apply other instruments in addressing agency dilemma as they conclude that corporate governance have largely remains unresolved in both theoretical and empirical context.

### 3. RESEARCH METHODOLOGY

This paper is aimed at investigating the role of some corporate governance mechanisms on the profitability of deposit money banks in Nigeria. The work is empirical and exploratory and the design presents the plan, structure and strategy of investigation to obtain answers to the research questions and test the hypotheses (Basley and Clover, 1984). Accordingly, the ex-post facto design was used because the dependent and independent variables had already occurred.

The target population is made up of the 21 consolidated deposit money banks operating in Nigeria. 15 of the banks were selected as sample size through purposive or judgment sampling technique. This technique was used because the population and sample being investigated are rather small making other sampling techniques inadequate. The major characteristics of the sampled banks is that they had all existed long enough after the banking consolidation to enable the study provide answers to the research questions and draw statistical inferences from the data generated. The other banks started operating in their new identities mostly from 2011 a period which does not give enough time for statistical deductions.

The study is based primarily on desk or library research. Secondary data relating to the dependent and explanatory variables were generated from the annual reports and financial statements of the selected banks. The sizes of the various boards of directors and their gender compositions were also derived the same way. The data are time series and cross sectional data, which were subjected to descriptive statistical analysis in addition to a trend and cross sectional evaluation of the performance of the banks with the use of the financial ratios. Panel data regression analysis technique was used because it permits regression analyses in both units (the selected banks) and selected time (2005 - 2013) dimensions. We adopted the econometric model of Ashenafi, et al (2013) which states as follows;

$$Y_{it} = \alpha_0 + \beta_1 CG_{it} + \beta_2 C_{it} + e_{it} \dots\dots\dots 1$$

Where;

$Y_{it}$  represents financial performance of the company (i) within the period (t).

$CG_{it}$  represents the extent and direction of corporate governance indicators,

$C_{it}$  indicates the extent and direction of the control variables and

$e$  is the error term.

ROE and ROA are used as proxies for profitability of the studied banks and created the under-listed models to direct our analyses. Similar models were used by Adeusi et al (2013) who evaluated corporate governance mechanisms and their impact on the performance of 9 (nine) commercial banks in Ethiopia within a 7 (seven) year period used ROE and ROA as proxies to evaluate their relationship with some corporate governance instruments.

Model A.

$$\begin{aligned} \text{ROE} &= f(\text{BS}, \text{BFD}) \dots\dots\dots 2 \\ \text{ROE} &= a_0 + a_1 \text{BS} + a_2 \text{BFD} + u \dots\dots\dots 3 \end{aligned}$$

Model B.

$$\begin{aligned} \text{ROA} &= f(\text{BS}, \text{BFD}) \dots\dots\dots 4 \\ \text{ROA} &= a_0 + a_1 \text{BS} + a_2 \text{BFD} + u \dots\dots\dots 5 \end{aligned}$$

In the models, ROE and ROA are used as proxies for financial performance of the firm at a particular period. The independent variables are BS and BFD, where;

BS= Board size

BFD = Proportion of female directors

$a_0$  (a constant) is the intercept term showing the value of the independent variable when all the independent variables are zero

$a_1$  to  $a_n$  are the regression parameters

$u$  is the stochastic error term which takes care of other possible factors not considered in the model that could influence the dependent variable.

From the above models, the a priori implies that  $a_1 \text{BS}, a_2 \text{BFD} > 0$ .

This means that a priori, a positive correlation should be the outcome in the interaction between the independent and resulting variables. The extent of the coefficient of relationship will explain various intensities of relationship between the independent variables. The econometric model for the research study as stated above will therefore provide a basis for testing the possible relationship between the dependent variables and independent variables.

The study recognizes and acknowledges the limitations placed by the scope covered. A longer period and the inclusion of more banks and more corporate governance indicators would definitely have made the study more robust.

#### 4. DISCUSSION OF FINDINGS

**Table 1: Correlation matrix for model A**

	BS	PFD	ROE
BS	1		
PFD	.334*	1	
ROE	-.786**	-.293*	1

\*correlation significant at 0.05, \*\* correlation significant at 0.01

Source: Compiled by Author during fieldwork (2015)

**Table 2: Correlation matrix for model B**

	BS	BFD	ROA
BS	1		
BFD	.334*	1	
ROA	-.858**	-.370*	1

\*correlation significant at 0.05, \*\* correlation significant at 0.01

Source: Compiled by Author during fieldwork (2015)

The results in Tables 1 and 2, showed that board size recorded a strong inverse directional relationship of -.786 and -.858 with ROE and ROA, respectively at 1% and 5% levels of significance. This result could be interpreted that there exist a significant but opposite directional interrelationship between board size and financial success of deposit money banks in Nigeria. What this means is that an enhancement in the numerical strength of the board will result in a dip in the financial performance of the banks when measured by ROE and

ROA. The tables also revealed that the proportion of female directors had negative and weak correlation of -.293 and -.370 for ROE and ROA respectively. This implies that there is no guarantee that boards with greater ratio of women would do better or poorer than those with less women.

### Regression result of Model A

This regression examines at the impact of board size and proportion of female directors on ROE of deposit money banks.

**Table 3: Regression result of the influence of gender and BS on performance of banks in terms of ROE Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	177596.250	35747.216		4.968	.000
	BS	-18.174	2.056	-.650	-8.839	.000
	BFD	-.808	2.851	-.016	-.284	.777

$R^2 = .68$

Adj.  $R^2 = .63$

F= 49.27

D.W=1.49

a. Dependent Variable: ROE

The result in Table 3 revealed an  $R^2$  (the coefficient of multiple determinant) value of 0.68. This means that about 68% changes in return on equity of deposit money banks is caused by changes in board size, and proportion of female directors. The adjusted  $R^2$  value of 63 implied that the model is 63% goodness fit. The F-value of 49.27 which is significant at 0.05 level of significance implied that there exist a significant relationship between board size and bank with female directors and the financial performance of deposit money banks as measured by ROE.

The estimated coefficient of BS is negative, meaning that there exists an inverse directional relationship between board size and the financial performance of deposit money banks as measured by return on equity. These results are in order with economic a priori criteria and are significant at 5% and 10% levels of significance.

The estimated coefficient for proportion of female directors is negative. This result means that an increase in proportion of female directors will lead to a decrease in the financial performance of deposit money banks as measured by ROE. This result is however not significant at 5% and 10 % levels of significance.

### Regression result of the results of Model B

This regression looks at the impact of board size and proportion of female directors on ROA of deposit money banks. The results is presented in Table 4.

**Table 4: Regression result of the impact of BS and BFD on ROA**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5100.189	897.964		5.680	.000
	BS	-.659	.052	-.702	-12.763	.000
	BFD	-.112	.072	-.065	1.560	.121

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5100.189	897.964		5.680	.000
BS	-.659	.052	-.702	-12.763	.000
BFD	-.112	.072	-.065	1.560	.121

$R^2 = .81$

Adj.  $R^2 = .79$

F= 88.7

D.W=1,57

a. Dependent Variable: ROA

The result in Table 4 revealed an  $R^2$  (the coefficient of multiple determinant) value of 0.81. This implied that about 81% changes in ROA of banks is caused by changes in board size and proportion of female directors. The adjusted  $R^2$  value of .79 implied that the model is 79% goodness fit. The F-value of 88.8 which is significant at 0.05 level of significance implied that there exist a significant relationship between cooperate governance of banks and the financial performance deposit money banks as measured by ROA.

The estimated coefficient of board size is negative. This means that there exists an inverse relationship between board size with the financial performance of the deposit money banks as measured by return on asset ROA. These results are in order with economic a priori criteria and are significant at 5% and 10% levels of significance.

The estimated coefficients for proportion of female directors is negative. This means that an increase in proportion of female directors in banks will lead to a decrease in the performance of the banks as measured by return on asset. These result is at variance with economic a priori criteria. The result is however not significant at 5 and 10% levels of significance.

## TEST OF HYPOTHESES

Hypothesis one: There is no significant relationship between board size and financial performance of commercial banks in Nigeria.

The t- test result in Table 1 and 2 shows that the t-calculated value of -8.81 and -12.76 which were all greater than the critical t-value of 1.96 needed at 0.05 level of significance. The null hypothesis was rejected for both ROE and ROA. This result means that there existed a significant relationship between board size and the financial performance of deposit money banks as measured by ROE and ROA.

Hypothesis two: There is no significant influence of the proportion of female directors on the financial performance of deposit money banks in Nigeria.

The calculated t-value of -0.284 and 1.560 for the presence of female directors in Table 3 and 4, respectively were all smaller than the critical t-value of 1.96 needed for significance at 0.05 level of significance. The null hypothesis as retained for both returns on equity and returns on asset. This result means that the presence of female director in the board of directors does not significantly influenced the financial performance of deposit money banks as measured by return on equity and return on asset.

## 5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In summary, the findings of this study revealed that there existed a significant relationship between board size and financial performance of commercial banks in Nigeria. This is in agreement with the finding obtained by Ashenafi, et al (2013) who found out that there existed a significant relationship between board size and the performance of banks in Ethiopia. According to the authors the larger the board the lower the performance of banks. This is also in line with the finding arrived at by Sanda, Mukaila and Garba (2005) who in their study noted that board size is a significant predictor of bank performance.

The study also showed that presence of female directors on the board of banks does not significantly affected the financial performance of banks in Nigeria. This finding disagrees with Polisiri and Wiwattanakantang

(2004) who in their study noted that the presence of female directors in the board significantly impacted the financial performance of the bank. The finding also does not agree with the finding by Monks and Minow (2001) who discovered from their study a significant relationship between the presence of female directors and the financial performance of the banks.

In view of the above findings, we recommend that that board size should be used as a tool to stem the tide of distress in the sector. Specifically, shareholders and the regulators should guide against having boards that are too large and become unwieldy or too small and lack independence. Furthermore, we recommend that since the presence of female directors and financial performance are not significantly linked, banks should rely only on capacity and competence in making board and senior management appointments.

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## APPENICES

Appendix 1: Summary of type, sources and measurement of data

S/N	Variable	Type	Source	Measurement
1.	Board size	Independent	Annual Reports	Numerical strength of board of directors
2.	Gender diversification	Independent	Annual Reports	Percentage of female directors on the board
3.	Returns on assets	Dependent	Financial Statements	Net income after tax Total average assets
4.	Returns on equity	Dependent	Financial Statements	Net income after tax Total equity capital

Source: Atsu, I.A. (2015)

Appendix 2: List of selected banks showing proportion of female directors (BFD)

S/N	Bank	Board size and Proportion of Directors				
		BS	M	Percent	F	Percent
1.	Access Bank Plc	17	12	70.6	5	29.4
2.	Diamond Bank of Nigeria	16	13	81.2	3	18.8
3.	Ecobank Plc	17	14	82.4	3	17.6
4.	Fidelity Bank Plc	16	13	81.2	3	18.8
5.	FBN Plc	8	8	100	0	0
6.	FCMB Plc	11	11	100	0	0
7.	GT Bank Plc	14	10	71.4	4	28.6
8.	Skye Bank Plc	16	13	81.2	3	18.8
9.	Stanbic IBTC Plc	11	8	72.7	3	27.3
10.	Sterling Bank Plc	13	10	76.9	3	25.1
11.	Union Bank of Nigeria Plc	14	10	71.4	4	28.6
12.	UBA Plc	18	13	72.2	5	27.8
13.	Unity Bank of Nigeria Plc	11	10	90.9	1	9.1
14.	Wema Bank Plc	11	9	81.8	2	18.2
15.	Zenith Bank Plc	12	10	83.3	2	16.7

Source: Atsu, I.A. (2015)

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## A PRAGMATIC APPROACH TO VICTIM COMPENSATION IN INDIA

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### ABSTRACT

*The concept of victim compensation is not new, it is existed with civilization. In early civilization payments were extracted from the offenders for the victims. Compensation was a very important tool to satisfy the offender and the offended. However this picture was changed with modern criminal justice system where the crimes were considered as committed not against the individual but against the state. Practically in this system the victim does not have any role in the entire process. When the victim reports his victimization to the police, his misery is started with interrogation, court appearances and insult at the hands of people including police officers, lawyers, loss of earning, waste of times, frustration and the painful realization down on him. But in India there are different statutory provisions in criminal justice under which compensation can be awarded to the victims of crime. Compensation to the victims of crime is possible under Articles 32 and 226 of the constitution of India. There are also provisions like Sec 357, 357 (A) & 357 (B) of CrPC and also under section 5 of P.O Act compensation can be granted. In number of cases Supreme Court has also ordered compensation to the victims of crime, but in practice these provisions are not sufficient to meet the ends of justice. Therefore it is observed that judicial creativity and special legislation giving effect the right to claim compensation to victims of crime can ultimately achieve victim justice.*

*Key Words: Compensation, Crime, Court, Provisions, Victim*

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The concept of victim compensation is an age old concept and existed with the civilization. It is said that it was quite common for the early civilization to extract payments for the victims from the offenders. The early criminal law was interwoven with law of Torts which speak of redressal of the victim by pecuniary compensation. In other words it can be said that there was practically no distinction between a civil and a penal wrong and compensation was a very important tool to satisfy the offender and the offended. However the picture began to change with modern criminal justice in which Government assumed the responsibility for dispensing justice by bringing the offender to book. Crimes were considered as committed not against the individual but against the state and the state itself suffers as a whole. The modern criminal justice system has over emphasized the offender where the plight of the victim is completely overlooked. It is the victim if survives the offence or the family member of the victim. If he succumbs to the crime who suffers the wrong but it is ironical that he or they don't have any role in the entire process. The state and the offender are the prosecutor and the victim stands nowhere. When the victim reports his victimization to the police his misery takes a new turn. He enters the get way to criminal justice system. He is faced with interrogation, delays, postponements, court appearances and insult at the hands of people including police officers and lawyers, loss of earning, waste of times, frustration and the painful realization dawn on him that the system does not leave up to its ideals and does not serve him, it serves only itself and minion<sup>1</sup>. It's development has begun since a few decades ago. Several countries have evolved different schemes of payment of compensation to their victims of crime as it is accepted as state responsibility. These are taken through legislative measures. In India there are different statutory provisions in criminal justice under which the compensation can be awarded to the victim of crime.

### PROVISIONS IN THE INDIAN CONSTITUTION

The Constitution of India which has guaranteed Fundamental Rights to the citizens against the state, also grants for the constitutional remedies in the mode of writs under Article 32 and 226. Under these Articles not only the victims get his rights enforced in an expeditious manner but can also claim compensation for the violation of Fundamental Right by the state. In a number of cases the court has awarded compensation to the victims of infringement of Fundamental Rights.

In the case of *Khatri V. State of Bihar*<sup>2</sup> popularly known as the Bhagalpur blinding case, justice Bhagwati countered the question of compensation, why should the court not be prepared to forge new tools and advice new remedies for the purpose of indicating the most precious Fundamental Right to life and personal liberty. The court ordered the state to meet the expenses of housing those men in blind homes in Delhi.

The compensatory jurisprudence took a clear shape in the case of *Rudal shah V. state of Bihar*<sup>3</sup>, although the foundation was laid down in a *Khatri's* case. In this case the petitioner was detained illegally in the prison for over fourteen years after his acquittal in a full dressed trial. He filed a Habeas corpus petition in the Supreme court for his release from illegal detention. Taking into consideration the great harm done to the petitioner by

the Government of Bihar, the Supreme court ordered the state to pay to the petitioner a further sum of Rs 30,000/- as an interim measure in addition to the sum of Rs 5,000/- already paid by it. The order of compensation was in the nature of a palliative and it did not preclude the petitioner from bringing a suit to recover appropriate damages from the state and its erring officials. The supreme court also observed that in exercise of its jurisdiction under Article 32 payment of money in the nature of compensation consequential upon the deprivation of a Fundamental Right to life and liberty of a petitioner.

Bhim Singh V. state of J&K<sup>4</sup>, is another case where the petitioner Bhim Singh a member of the Legislative Assembly of J&K, was arrested unlawfully by police officers while he was on his way to attend the Assembly session. The supreme court held that the petitioner's constitutional rights guaranteed by Article 21 was denied and also directed the first respondent state of J & K to pay Bhim Singh a sum of Rs 50,000/- within two months from today.

In Sebastian M. Hongray V. Union of India<sup>5</sup>, the supreme court by a writ of Habeas Corpus required the Government of India to produce two persons before it, who were taken to the military camp by jawans of army and allegedly killed by them, since the government failed to provide relief to the aggrieved wives of the killed persons, the agony and mental oppression through which the wives of the persons in question had to pass, directed the Union Government to pay Rs One Lakh each to the two women.

The supreme court in Saheli a women Research centre V. commissioner of police, Delhi<sup>6</sup> departed from the settled law of state liability and added that the state is at liberty to realize the entire amount or port thereof from the erring officers. But in the case of Maharashtra V. Ravikant S Patil<sup>7</sup>, where the under trial prisoner was handcuffed and taken through the street in a procession by police during investigation, the Supreme Court held it the violation of Human Rights under Article-21 of the constitution and awarded Rs 10,000/- as compensation to be paid by the state.

The law was crystallized in the case of Nilabati Behera V. state of Orissa<sup>8</sup>. In this case the deceased was arrested by the police, handcuffed and kept in police, custody. The next day, the dead body was found on a railway track. The Supreme Court awarded compensation to the mother of the deceased. The Court in an instructive judgment through judicial exposition has brought out the following principles.

“Award of compensation in proceeding under Article 32 by this Court or by the High Court under Article 226 of the constitution is a remedy available in public law, based on strict liability for contravention of fundamental rights to which the principle of sovereign immunity does not apply, even though it may be available as a defence in private law in an action based on tort”.

Therefore it can be observed that the judicial creativity based on jurisprudential foundations of remedial action can ultimately achieve victim justice.

### **PROVISIONS IN THE Cr. P.C**

The code of criminal procedure 1973 has empowered the criminal courts in India to order for the payment of compensation to the victims of crime under sections 357, 357(A), 358 and 359. The decision regarding compensation to the victim is taken by the court at the time of conviction of the offender. If it considers appropriate in a particular case in the interest of justice. These provisions makes the trial courts and the appellate courts competent to award compensation to the victims of crime only after trial and conviction of the accused. These powers to award compensation are not subsidiary to other sentence, but it is in addition there to<sup>9</sup>. It is left to discretion of the court to decide in each case depending on its fact and circumstances. The reading of the section 357 shows that sub-section (1) and (3) empowers the trial court to award compensation and sub-section(4) gives powers to appellant or revision court to order for compensation. Section-357(1) provides power to award compensation to victims of offence out of the sentence of fine imposed on the accused. But in judicial practice it is observed that fines are not at all imposed and consequently compensation to the victims are not awarded.

But section 357 is not a complete and substantive provision by which every victim may get compensation in Indian Criminal justice system. This section does not authorize courts in India to pay compensation to victims of crime in any offence under I.P.C. or special laws.<sup>10</sup>

Moreover the provision of sub-section(1) of section 357, is subject to some inherent limitations. Firstly, compensation under sub-section(1) cannot be ordered unless a substantive sentence of fine is imposed. Secondly, quantum of compensation limited to fine levied and not in addition to it or exceed the fine imposed. Thirdly, compensation can be ordered only but of fine realized and if no fine is realized compensation to victim cannot be directed to be paid. Fourthly, it is noticed that the maximum amount of fine as prescribed by the

Indian penal code is rarely imposed. Lastly, the court can allow compensation to victim under this section if it is of the opinion that the compensation is recoverable by such person in a civil court.

However payment by way of compensation can be made under section 357(3) Cr.PC quite liberally and without such above mentioned limitations even in cases where fine does not form a part of sentence. But it should be noted that the liberal provisions of sub-section(3) is applicable only when a sentence of fine is not imposed. When once the sentence of fine is imposed compensation can be directed to be paid only out of the amount of fine imposed on the accused, but the trial courts have seldom used the powers conferred on them under section 357 liberally.

The Supreme Court has also discussed the object and scope of section 357 Cr.PC in the Harikrishan case<sup>11</sup>. In this case two parties in the course of a fight inflicted on each other injuries, both serious and minor. As a result of the fight Joginder is an unfortunate victim, whose power of speech was permanently impaired. With due regard to all the facts and circumstances of the case, Supreme Court awarded Rs 50,000/- compensation to Joginder to meet the ends of justice. The Supreme Court also observed.

“It is important provision but courts have seldom invoked it. Perhaps due to ignorance of the object to award compensation to victims, while passing judgment of conviction, the court may order the accused to pay some amount by way of compensation to victim who has suffered by the action of accused. It may be noted that this power of court to award compensation is not ancillary to other sentences but it is in addition there to. This power was intended to do something to reassure the victim that he/she is not forgotten in the criminal justice system. It is a measure of responding appropriately to crime as well as reconciling the victim with the offender. It is to some extent a constructive approach to crime. It is indeed a step forward in our criminal justice system”.

The Supreme Court in Palaniapa Gounder vs state of Tamil Nadu<sup>12</sup>, laid down the scope of the application of section 357(1) (C) of the Cr.PC in a criminal case. In this case the appellant was convicted for murder and sentenced to death by the trial court. The High Court reduced the sentence to life imprisonment but in view of an application for compensation of Rs 40,000/- filed by the son and daughters of the deceased under section 482 of the code, it imposed a fine of Rs 20,000/- out of which Rs 15,000/- was to be paid as compensation to them under section 357(1) (C) of the code. The propriety of the fine and award of compensation was questioned in appeal before the Supreme Court. The supreme court not only reduced the amount of fine imposed by the High Court from Rs 20,000/- to Rs 3,000/- but also observed that, “Since the inherent powers under section 482 cannot override the express power under section 357 the High Court rightly dealt with the application under section 357”.

In the landmark case of Sarwan Singh V. state of Punjab<sup>13</sup>, the supreme court also retreated it's previous stand point and observed that, the object of this section is to provide compensation payable to the persons who are entitled to recover damages from the person sentenced even though fine does not form part of the sentence. Though section 545 of Code of Criminal Procedure (Act 5 of 1898) enabled the court only to pay compensation out of the fine that would be imposed under the law, by section 357(3) when a court imposed a sentence of which fine does not form a part, the court may direct the accused to pay compensation. In awarding compensation it is necessary for the court to decide whether the case is a fit one in which compensation has to be awarded. If it is found that, compensation should be paid, then the capacity of the accused to pay compensation has to be determined. In directing compensation the object is to collect the fine and pay it to the person who has suffered the loss. The purpose will not be served if the accused is not able to pay the fine or compensation for imposing a default sentence for non-payment of fine would not achieve the object. If the accused is in a position to pay compensation to the injured or his dependents to which they are entitled to, there could be no reason for the court not directing such compensation. When a person, who caused injury due to negligence or is made vicariously liable is bound to pay compensation, it is only appropriate to direct payment by the accused who is guilty of causing an injury with the necessary mens rea to pay compensation for the person who has suffered injury.

It is also the duty of the court to take into account the nature of the crime, the injury suffered, the justness of the claim for compensation, the capacity of the accused to pay and other relevant circumstances in fixing the amount of fine or compensation. After consideration of all the facts of the case, we feel that in addition to the sentence of 5 years rigorous imprisonment, a fine of Rs 3,500/- on each of the accused under section 304(1) IPC should be imposed. The fine will be paid as compensation to the widow of the deceased. In default of payment of fine the accused will undergo further simple imprisonment for 6 months.

In the case of Baldev Singh V. state of Punjab<sup>14</sup>, the Supreme Court also affirmed the observation made in Harikishan case regarding the power of the court to award compensation to the victim of crime, under section

357(3) of the code of criminal procedure. Still there are number of judgements<sup>15</sup>, in which courts are giving no reasons for not awarding compensation and they are passing non speaking orders.

By virtue of the criminal Amendment Act 2008, the section 357 (A) was inserted, in which victim compensation scheme has been introduced. Accordingly it empowers every state Government in consultation with the central Government to prepare a scheme for providing funds for the purpose of compensation to the victim or his dependents, who have suffered loss or injury as a result of the crime. As per the scheme the District Legal Service Authority or state Legal Service Authority as the case may be decides the quantum of compensation to be awarded on recommendation by the trial court. Where the offender is not traced or identified but the victim is identified and no trial takes place, the victim or his dependents may make an application to the state or Direct Legal Services Authority for award of compensation. On receipt of such application, adequate compensation shall be awarded after due enquiry within two months.

Again in the year 2013 new additions namely Sec 357(B), 357(C) have been inserted in Cr.PC<sup>16</sup>. section 357(B) empowers the trial court to provide additional compensation to victims who come under section 326 A, 376 D of the Indian Penal Code. Section 357(C) directs to all the hospitals whether they are run by govt. or by local authorities, that they should provide free medical aid to the victims of section 326 (A), 376 (A), 376 (B), 376 (C), 376(D) of the Indian Penal Code.

### **COMPENSATION UNDER P.O. ACT**

The probation of offenders Act 1958 in section 5 provides scope for giving compensation and costs to the injured person. The court while directing the release of an offender under section, 3 or 4, may at the same time makes an order for payment of compensation to the victim for the loss or injury caused to him.

While assessing the quantum of compensation, it is purely in the discretion of the court to allow compensation and costs if it thinks reasonable. But in practice the courts in India are not paying adequate attention to this provision.

### **CONCLUSION**

It is observed from the above that, Section-357 provides compensation to the victims of crime. But in practice the said provision and the provisions under constitutional law and P.O. Act have not proved to be of much effective. The whole legislative framework and lack of judicial determination has exposed a number of flaws of the present law relating to victim compensation. Therefore there is a need of special legislation giving effect the right to claim compensation to victims of crime.

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## LEGAL ASPECTS OF BRANDING WITH SPECIAL REFERENCE TO COMPANIES IN INDIA- AN EMPIRICAL STUDY

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### INTRODUCTION

As a matter of fact, a lot of literature is readily and easily available related to Branding as a practical concept; however, very few pieces of literature are available related to the Legal Aspects of Branding. After going through the literature, it appeared to the Researcher that certain measures should sincerely be suggested for improvement of existing Legal situation as regards Branding. Thus, it was decided to study Legal Aspects of Branding prevailing in Indian Companies as on today and thereafter to suggest some measures to improve Branding Legalities in Indian Companies.

### REVIEW OF LITERATURE

As the Research Paper begins with the objective to study the Legal Aspects of Branding in Indian Companies, in the opinion of the Researcher, indeed, at the outset, it is imperative to introduce the word as well as the concept of 'Brand'.

A brand is a symbolic embodiment of all the information related with a particular product or specific service like Name, Logo, Images, Color Schemes, Fonts, Symbols, etc. It is an emotional association with products and services of a Company. It is the total emotional experience a customer has with your company and its product or service. It is more than a product because it can have dimensions that differentiate it from other products which are manufactured or designed to satisfy the same need. It is, more often than not, well known to the consumers and also closely associated with their high-satisfaction levels. It provides an improved image for a company and it definitely adds to the value of the product from the contemplation of a consumer.

Sometimes, it leads to the insistence on the part of the consumers to purchase a product known exclusively by brand name. Such consumers are also observed less price sensitive. It encompasses the set of expectations associated with a product or service which arise in the mind of people. Such people, in general, include employees of the Brand Owner, people involved with distribution, sale or supply of the product or service and ultimately the consumers. The most distinctive skill of professional marketers is their capability not only to create but also to maintain, protect and enhance brands.

According to the *American Marketing Association (AMA)*, a Brand is a name, term, sign, symbol or design or a combination of them which is intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competitors. In the words of *Mellerowicz*, Brand is a branded product as an ubiquitous finished product of consistent or increasing quality for private consumption with an identification mark, standardized amount and appearance, acceptance in the market and existing consumer advertising. In the words of *Jeff Bezos*, The Founder and C. E. O., Amazon.com, a Brand for a company is like reputation for a person, you earn reputation by trying to do hard things well.

*Karasanbhai Patel*, The Chairman, Nirma Ltd., describes Brand as not merely a product, but, it is a dynamic Phenomenon, a Revolution and a Philosophy. *Stephen King* had said, 'A product is something that is made in a factory, a Brand is something bought by consumers. A product can be copied by a competitor, a Brand is unique. A product can quickly be outdated; a successful Brand, properly managed, can be timeless.' *Scott Galloway*, Prophet Brand Strategy regards Brand as a face of a Business Strategy. *Keller* defines a Brand as a set of mental associations held by the consumer which add to the perceived value of a product or service. Stuart Agres, Young and Rubicam state that a Brand is a set of differentiating promises that link a product to its customers.

The power of a Brand is inversely proportional to its scope. A Brand becomes stronger when its focus is narrower. The birth of a Brand is achieved through *Publicity, not advertising, however*, once born, a Brand needs advertising to stay healthy. A Brand should strive to own a word in the mind of a consumer. The crucial ingredient in the success of any Brand is its claim to authenticity. No doubt, Quality of a product is important, but Brands are not built by Product Quality alone. A Brand can be called leading if it is *promoting the Product Category, and not the Brand*.

At the same time, it is true to state that in order to build the Category, a Brand should welcome other Brands. Especially, in the long run, a Brand is nothing more than a name. Moreover, a generic name is never ever desired for a Brand basically because it is said that one of the fastest routes to Brand failure is giving a Brand a



generic name. It should never be forgotten that the Companies and the Brands are different from each other. A Brand Manager needs to take adequate care of Sub-Branding since what Branding builds Sub-Branding can destroy. There is a time and place to launch a second Brand, if they are mistaken, a lot is not achieved. There are no barriers to Global Branding. As a matter of fact, a Brand should know no borders. Like all the other things, even the Brands can be changed, but *only infrequently and only very carefully*. In general, it is changed when it appears that it has turned weak or almost nonexistent in the mind of the target customer.

When the Brand rests in the slow-moving field and the change is expected to take over an extended period of time, it is changed. In the words of **Kevin Plank**, as mentioned in the book titled '*You are the Brand*,' Brand is not a product that is for sure, it is not one item. It is an idea, it is a theory, it is a meaning, -----and it is aspirational, it is inspirational. A genuine Brand, according to **Duane e. Knapp**, has three basic characteristics, the internalized sum of impressions as received by the consumers, leading to a distinctive position in their mind space and based on emotional and functional benefits. So also, **Harish Bijoor** calls a Brand just a thought which is in the head of people.

### RESEARCH PAPER METHODOLOGY

The following Research Methodology is adopted for writing this Research Paper.

1. Review of pertinent Literature is done through several Books and significant and Relevant Websites (Secondary Data) in order to understand, in depth, the Legal Aspects associated with Branding in Indian Companies.
2. The Research Paper is exclusively based on the Secondary Data.

### SOURCES OF SECONDARY DATA

For this Research Paper, the sources of Secondary Data which are related to the legal aspects of Branding in Indian Companies include several Books, relevant Websites and a few Research Papers.

### RESEARCH PAPER OBJECTIVES

The following are the Objectives of the Research Paper.

1. To Study Legal Aspects of Branding in Indian Companies.
2. To suggest some measures to improve Branding Legalities in Indian Companies

### RESEARCH PAPER SCOPE

The Scope of the Research Paper firstly extends to the Study of legal aspects of Branding in Indian Companies and it also extends to suggestion of certain measures to improve Branding Legalities in Indian Companies.

### LEGAL ASPECTS OF BRANDING IN INDIAN COMPANIES

A few representative cases have been illustrated in the following lines which will throw light on legal aspects of Branding in the Indian Companies.

#### I. FEVICOL Vs. TREVICOL

'Fevicol,' (as a Brand) was there in the market since the year 1960 and the Trade Mark was registered in the same year. It had huge sales and the Company named 'Pidilite' had highly invested on Advertising and Publicity of the Brand In the year 1985, a similar product named 'Trevicol,' was introduced in the market. Pidilite filed a suit against the owner of 'Trevicol.' In this case the key observations made were as follows.

1. Use of Trevicol as a Trade Mark started in the year 1985. The Suit was filed in the year 1987.
2. The suffix 'Vicol,' was common in both the marks. Only, the prefix, 'Fe' of Fevicol was substituted by 'Tre,' in Trevicol. However, *while pronouncing the two names, as a whole, they sounded quite similar.*
3. The Writing Style of both the marks was almost identical. It was in blue colour was on the boxes.
4. Fevicol had two elephants pulling apart a sphere. In Trevicol, there were two ships in Place of elephants. But, *only on the minute observation the difference could be made out, else, both gave an impression that similar objects were pulling apart a sphere.*
5. The purchasers of both the products included a large section of illiterate persons.

In the light of the facts of the case, as stated above, and after taking into consideration the provisions of the prevailing laws, it was *held in favor of Fevicol* that

- (a) The two marks were deceptively similar, both *phonetically* and *visually*. The colour scheme and the Get-up of the packs were almost identical.

(b) The general public was likely to be deceived.

On the basis of the way in which the Question of Law was decided in this case, the Researcher intends to note the following two vital facts which may act as a Precedent in the other cases of more or less similar nature.

1. Similarity is to be compared *as a whole* and *not in a portion* only.
2. It has to be viewed from a common man's shoes.

## II. CORN PRODUCTS Vs. SHANGRILA FOODS

Shangrila Food Products Ltd. had applied for registration of the Trade Mark as 'Gluvita,' for the biscuits manufactured by them. Corn Products, who had already been using the registered Trade Mark as 'Glucovita,' for their glucose with vitamins, opposed the application of Shangrila Food Products Ltd. In this case the key observations made were as follows.

1. Glucovita had acquired a reputation amongst the buyers.
2. *The products, in question, were so connected with each other as to create Considerable Confusion or deception due to similarity of the two Trade Marks.*
3. Apart from the syllable 'Co', the two Trade Marks were identical and the syllable was Not such as would enable the buyers in India to distinguish between the two Trade Marks.

Thus, in then light of the facts of the case, it was held that the name 'Gluvita,' can not be registered as a Trade mark.

III. Furthermore, in the case of **BROOKE BOND Vs. SONA SPICES**, it was held that *Sona Spices had made changes in the get-up of their packets in line with Brooke Bond's packets, which ultimately amounted to Infringement of Copy Rights.*

IV. In another case of **BROOKE BOND Vs. GIRNAR**, when Brooke Bond objected the first judgment as they were not happy, the case was brought before another bench, to the utter surprise of the common man, *the two judgments on the very same case varied because of different views taken by different judges.* As a result, the Company had to alter its Strategy.

## MEASURES TO IMPROVE BRANDING LEGALITIES IN INDIAN COMPANIES

The following measures can be suggested to improve prevailing Branding Legalities in Indian Companies.

1. While deciding the Question of Law as regards 'Similarity,' in respect of a product, besides the unique or peculiar facts of a Case, some other factors like the class of the purchasers, the mode of their purchase and the other surrounding circumstances of the case should necessarily be considered in the light of the justice.
2. Overall recognition of a Brand among the 'Relevant Public,' (mainly the Consumers, Retailers, Wholesalers, Middlemen, other affected masses, etc.), its duration and extent, geographical area of its actual utility, its style or the manner of promotion can be treated as the key fundamental factors in ascertaining its popularity or the level of acceptance, whether, high or low.
3. It may not be out of place to point out in this context over here that different facts related to the number of actual or potential consumers, the number of persons involved in the distribution channel and the business circles dealing with the goods or services may also be referred to.
4. In order to have fair assessment, while deeply scrutinizing and appropriately evaluating, the Trade Marks must ideally be looked at from the first impression of a person of average intelligence and imperfect recollection.

## RESEARCH PAPER LIMITATIONS

The following are the limitations of the Research Paper.

1. As the study for this Research Paper is purely and exclusively based on Secondary Data, all the limitations of Secondary Data have direct and deep impact on various views formed, inferences arrived at and suggestions put forward to improve Branding Legalities in Indian Companies, by the Researcher.
2. The study for this Research Paper is purely of academic orientation, as mentioned earlier, solely based on secondary Data. Therefore, some level of adaptation may be required in practical decision making situations regarding application of the concepts of Branding Legalities in Indian Companies. .

3. For want of the length of the Research Paper after taking into consideration the wide scope of the Research, only two Precedents (Decided Legal Cases) have been illustrated in brief and a running reference of the other two is given.

### **SCOPE FOR FUTURE RESEARCH**

During the course of the study of this Research Paper, the researcher found out that there is an ample scope and adequate potential for research in future for the following topics related to Legal Aspects of Branding.

1. A Study of Level of Legal Awareness of Branding in Indian Companies

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## EDUCATIONAL STATUS OF YOUTH IN AGE GROUP OF 18-28 YEARS: AN EVALUATIVE STUDY ON EAST GARO HILLS, MEGHALAYA

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### ABSTRACT

*The present study entitled "Educational Status of Youth in the age group of 18-28 years: An evaluative study on East Garo Hills, Meghalaya" has been undertaken to study the educational status of today's youth as youth are the future citizens and the main foundation of every society. Education is an important instrument of human development. National development, social reconstruction and overall progress and prosperity of the society have ever been quite convincingly recognized to be closely linked with the system of education of the region. Education is a social concept, philosophically evolved, psychologically developed and socially based. The educational process in Meghalaya is said to be slow. It has also been stated as urban biased. This study deals with the process of educational system and drawback of the system, analyzing the factors responsible for drop-out and it also reveal the dimension of educational system in the villages of East Garo Hills, Meghalaya.*

*Keywords: Educational status, Drop-out, Factors, Instrument, District, East Garo Hills, Dimension, Educational system*

### INTRODUCTION

#### 1.1 Overview of The Study

Education is an integral part of human life. It is basic condition for the development of the 'whole man' and vital instrument for accelerating the well-being and prosperity of all, in every direction. Without education man would still be living just like a splendid slave or like reasoning savage. Education has many different meaning. It does not have simple unitary meaning like dancing or playing, that refers to a particular type of activity.

The etymological meaning of the word "education", however, means to "draw out" (from the Latin "educere") to lead, to draw out that which is within; i.e. to bring to light what is hidden, to render actual what is only potential, to develop. It is probably from the explanation of the Latin term 'Educatum' that the word 'Education' is derived which means the act of teaching or training. Thus, we find that according to the Latin words 'Educere' and 'Educatum', education is external in nature. It is imposed on the child from outside. But it is making potential actual. Educators these days use education in this sense. So it can be seen that it is impossible to draw out unless something is put in beforehand. Thus, education is both acquisition of knowledge or are of teaching and the development of skills, attitudes, habits, etc. Education has often been considered as synonymous to "instruction", that is the imparting of knowledge and information. Instruction means to infuse, to put something in that is lacking, and to fill a vacuum.

The well-known American philosopher-educationist John Dewey observes, "Education is the fundamental method of social progress and reform. This it does in two ways: by guiding children towards new values and by assisting the development of intelligence in individual children and increasing society's potential for its own transformation".

Education may include all learning processes. Another definition would describe education only as the learning of socially approved behavior. Finally, the narrowest definition which shall adopt for our present purpose identifies education with schooling the transmission of culture, particularly, knowledge, from generation to generation within a specialized organization- the school. It has passed through many ages and stages in the process of evolution and at every stage it has different meaning according to the existing social conditions.

The constitution amendment of 1976 placed Education in the concurrent list of the Indian constitution. The state has framed this policy within the broad parameters of the National policy on Education 1986 [NPE], POA, 1992, RTE 2009 and Right of Child to Free and Compulsory Education, 2009, and this will enable the state to share the responsibilities and functions as partners with the central Government in the implementation of the objectives of the NPE 1986. Indeed, the more porous and dynamic a society is the more inconsistent and conflictual in its efforts to change the educational system. Interests deeply rooted in spheres such as economics, religion, ideology, institution, geography, race, and ethnicity will vie to have their worldwide view represented most forcefully in whatever education system emerges. The twenty first century, particularly in the last few years, represented a period of remarkably intense change with the implementation of SSA and RTE Act, 2009.

The quest for aims in education has been made since times immemorial. And history bears out the truth that quest has acquired momentum with the birth of a great thinker, a philosopher or a great educator, with the trial of a new educational experiment, with the sudden emergence of a political or social revolution or with the onslaught of a religious upheaval. The nature of aim takes its hue from existing conditions and affairs. It emphasis reflects the need of the times. If knowledge was emphasized at one time, social efficiency was prominent at another. If preparation for life were considered necessary in one country, moral development was stressed in another. Each aim concentrates upon a certain aspect of this hydra-headed, complicated process of education that goes on. The truth is that in education, as we in love, the struggle, the endeavor and pursuit is far better than the conquest, the attainment or the goal.

### **1.2 Education in Meghalaya**

The Government of Meghalaya enforced its first Act with regard to education called Meghalaya Board of School Education Act, 1973. This Act was passed to streamline the system of examination and to improve the quality of School Education in Meghalaya. The Act presents the courses of instruction for primary, secondary and higher secondary stages of education and also conduct and supervision of examinations.

The policy is one of the principle vectors through which influence flows between the larger society and education institutions. The National policy on Education (1986), Program of Action, 1992, Sarva Shiksha Abhiyan scheme and Right to Education Act, 2009 and Right of Children to free and compulsory Education 2009 all are part of the Article 21 of the Constitution of India which emphasis on the need of free and compulsory education to all Children between the age group of 6-14yrs. The policy is based-on Article 27 (A) that was implemented on 1st April, 2010, India joined a group of few countries in the world, with a historic law making education a fundamental right of every child coming into force. Making elementary education an entitlement for children in the 6-14 age group, the Right of children to Free and Compulsory Education Act 2009 will directly benefit the children who do not go to school at present. Besides SSA-RTE, RMSA also play a major role in making the general public fully literate till Secondary level of Education, since RMSA is for univerlisation of Secondary Education (USE).

The Mid-Day Meal Program which has been implemented in the elementary school of the country since the year 1995 aims at curbing the drop-out and attracts larger enrolment in primary level and now it has been extended to the upper primary as well. The program is being implemented in the state with the mix results. According to Annual Status of Education Report (ASER), 2012, published result by Pratham Resource Center, Mumbai, Students of about 88% in the elementary are being served Mid-Day Meal in the year 2011.

Over the years there has been a substantial increase in the literacy rate of Meghalaya state. Literacy rate in Meghalaya has seen upward trend and is 74.43 percent as per 2011 census. Out of this, the male literacy stands at 75.95 percent, while female literacy is at 72.89 percent.

Even though there is an upward rise in literacy rate in Meghalaya, yet, still there are 7.4% percentage of overall drop-out student which may be the cause of different factor or reasons lying on them. The drop-out rate in the State has been a major cause of concern to the state

Government, such factors tend to supplement each other and reinforce their adverse impact. However, it is well recognized that poverty, large family size, distance between residence and school, a non-conducive school environment and untrained teachers are, to a large extent are responsible. An effective action plan to tackle this problem will be evolved through SSA setting-up of residential schools for elementary level will be considered to address the dropout rate which will be the answer to address this problem.

However, the dream of achieving cent percent literate citizens is not made even today in the country and so in Meghalaya, because there are many hurdles to aim of universal, free and compulsory education.

### **1.3 Literature Review**

**Nandi Rahul (2014):** Education, as we are aware, is vital to the human resource development and empowerment in the stages of growth of a nation. In any education system, higher education encompassing Management, Engineering, Medicine etc., plays a major role in imparting knowledge, values, and developing skills and, in the process, increase the growth and productivity of the nation. While the Government is committed to providing primary education and certain facilities/subsidies for higher education, given the higher cost involved in the establishment of higher education institutes, we are witnessing the entry of private sector to run educational institutions.

**GakharKamlesh and Harjeet Kour (2012):** Education has been made too easy for the students so that more and more students can enter into the scope of education system of the country. The announcements like

abolishing compulsory CBSE board exams for class 10th from the session 2010-11, introduction of grading system, the passage of Right of Children to free and Compulsory Education Bill, reservation policies etc. are a few among them. Haryana is the state with a contribution of 3.7% in the total GDP of India. This present study will throw light on the education system of Haryana, with a comparative eye on its neighboring states. An analysis of the educational achievements of these states from different angles will help the experts and the researchers to know how far we have gone in achieving our targets and what needs to be done. Along with this, a comparison of the literacy rates and literates of these states has also been made.

**Jacobson M. J (2006):** He says that the multidisciplinary study of complex systems in the physical and social sciences over the past quarter of a century has led to the articulation of important new conceptual perspectives and methodologies that are of value both to researchers in these fields as well as to professionals, policymakers, and citizens who must deal with challenging social and global problems in the 21st century. The main goals of this article are to (a) argue for the importance of learning these ideas at the precollege and college levels; (b) discuss the significant challenges inherent in learning complex systems knowledge from the standpoint of learning sciences theory and research; (c) discuss the “learnability issue” of complex systems conceptual perspectives and review a body of literature that has been exploring how learning sciences pedagogical approaches can lead to student learning of important dimensions of complex systems knowledge.

**Muhammad Dk. Norhazlin Pg. Haji (2009):** This study investigates the existence of duality in the Bruneian educational system. It highlights the efforts that have been made towards achieving ideal Islamic patterns of education through the implementation of the Integrated Education system from January 2004 to December 2005. The study found that the former Integrated Education system approximates the Al-Attar model of thought in education. Fieldwork research was conducted using a questionnaire and structured interview instruments to gather data. The questionnaire involved 113 general primary schools teachers and 234 parents of students at the primary six levels. It was found that several factors led to the failure of the Integrated Education system such as misunderstanding and incorrect perceptions regarding the aims and curriculum structure of the system, lack of infrastructure and facilities, culture and attitudes and insufficient acknowledgement of the implementation of the system. The data findings also prove that majority of the general primary school teachers in Brunei Darussalam lack adequate knowledge on the issue of dualist education.

**Howe R. Kenneth & Michele S. Moses (1999):** In the book “Ethics I Educational Research”, Howe and Moses states that the ethics of social and educational research has been significantly complicated over the last several decades as a consequence of the “interpretive turn” and the ever-increasing use of qualitative research methods that have accompanied it. In this chapter, we identify what came before and after the interpretive turn with the traditional and contemporary approaches to research ethics, respectively. The distinction is a heuristic one. We do not mean to suggest that the interpretive turn occurred at any precise point in time or that it has completely won out. In this vein, the traditional approach is no doubt still in currency.

**Pramodini. D. V and K. Anu Sophia (2012):** Technology is dramatically changing educational research processes, at a time of high demand for ‘evidence-based’ policy and practice. It will interpret and evaluate research in technology rich environments. Everybody is engaged in the critical study of original empirical research to learn about cutting edge methods of data collection and analysis. Philosophical assumptions underlying educational enquiry are to be examined.

#### 1.4. Introduction of The Study Area

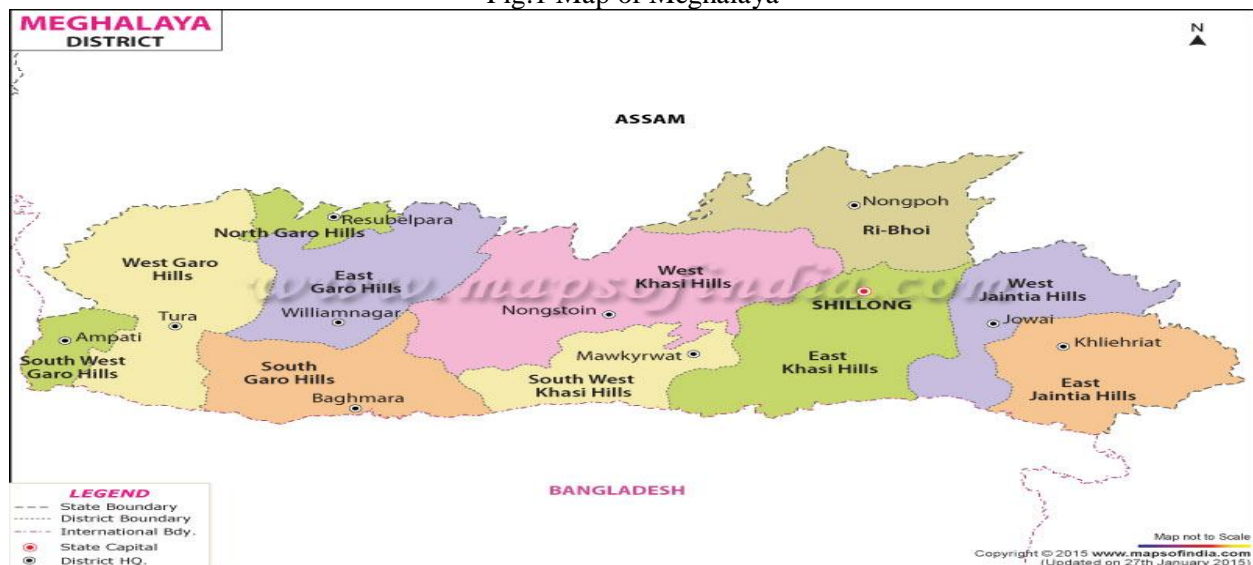
Meghalaya is a state in north-east India. The name means “the abode of clouds” in Sanskrit. The capital is Shillong, known as “Scotland of the East”. As of 2011, the state has a population of 2,964,007 and is the 23rd most populous state in the country. Tribal people occupy the majority of Meghalaya’s population. The Khasis are the largest group, followed by the Garos then the Jaintias. These were among those known to the British as “hill tribes”. Other groups include the Koch, the Biates of Saipung Constituency and Jowai, the related Rajbongshi, the Boro, Hajong, Dimasa, Hmar, Paite, Kuki, Lakhar, Karbi, Rabha and Nepali. The population of Meghalaya as of 2014 is estimated to be 3,311,474. Meghalaya covers an area of approximately 22,430 square kilometers, with a length to breadth ratio of about 3:1.

The state is the wettest region in India, recording an average of 12,000 mm (470 in) of rains in a year. About 70% of the state is forested. The Mawsynram, Meghalaya received a highest rainfall in the world. The Meghalaya sub-tropical forests eco-region encompasses the state; its mountain forests to the North and South. The forests are notable for their biodiversity of mammals, birds and plants.

The state is bounded to the south by the districts of greater Mymensingh and the Division of Sylhet and the west by the division of Rangpur of Peoples Republic of Bangladesh and the north and the east by India’s Assam

state. Meghalaya was previously part of Assam, but on 21 January 1972, the districts of Khasi, Garo and Jaintia Hills became the new state of Meghalaya. English is the official language of Meghalaya. The other principal languages spoken include Khasi, Pnar and Garo. Unlike many Indian states, Meghalaya has historically followed a matrilineal system where the lineage and inheritance are traced through women.

Fig:1 Map of Meghalaya



Sources: Maps of India

Meghalaya is predominantly an agrarian economy. Agriculture and allied activities engage nearly two-thirds of the total work force in Meghalaya. However, the contribution of this sector to the state's Net State Domestic Product (NSDP) is only about one-third. About 70% of the state is forested and it is the wettest region of India, recording an average of 12,000 mm (470 in) of rains a year. Meghalaya's forests are considered to be among the richest botanical habitats of Asia.

Meghalaya has currently 11 districts namely; West Jaintia Hills (Jowai), East Jaintia Hills (Khliehriat), East Khasi Hills (Shillong), West Khasi Hills (Nongstoin), South West Khasi Hills (Mawkyrwat), Ri-bhoi (Nongpoh), North Garo Hills (Resubelpara), East Garo Hills (Williamnagar), South Garo Hills (Baghmara), West Garo Hills (Tura), South West Garo Hills (Ampati).

The East Garo Hills lies in the eastern parts of the state and covers a geographical area of 2,603 sq km (1,005 sq mi). The population of East Garo Hills district is 317,618 as per 2011 census. The district has a population density of 122 inhabitants per square kilometre (320/sq mi). its population growth rate over the decades 2001-2011 was 26.75%. The head quarter of the district is Williamnagar. The district comprises of three blocks namely- Songsak, Rongjeng and Samanda.

Fig 2: Showing the map of East Garo Hills



Sources: Map of India

### 1.5. Importance of the Study

Education is essential for everyone. It is the level of education that helps people earn respect and recognition. In my opinion, it is indispensable part of life both personally and socially. However, the unequal standard of education is still a major problem that needs to be solved. Education plays such a rudimentary role on our society that we cannot even imagine a life without it. It is a determined element for the civilization of human society. Not only does it help us develop healthy surroundings but it also generates an advance community. As a matter of fact, everything we create today is based on the knowledge that we obtain throughout our life by way of education. This assists scientists in inventing equipment and devices, resulting in a high technology nowadays. The more developed life becomes, the more necessary education is for everyone.

Although education has a significant influence on life, the average education is not the same in different areas. As a result, strategies are being made to resolve the problems. Without education, life would be disastrous and detrimental. Consequently, to this day, we are trying for best to make education global and accessible for everyone particularly the poor and the disabled. There are still some places where the inhabitants are almost completely uneducated, causing a serious lack of knowledge. Additionally, every child should be given equal opportunities to learn and study. Because the development of a country depends vastly on the standard of education, it must do everything in its power to improve it. However, the educational systems of different countries are not similar, but they have to share a common goal which is to provide its citizens a suitable and proper learning.

### 1.6. Objectives of the Study

- To study the socio-economic conditions of the targeted group.
- To study the educational status of youth in East Garo Hills district of Meghalaya.
- To examine the number of drop-out students in the school and college level.
- To study the factors responsible for drop-out of students in the school and college level.
- To study the framework of educational system in the East Garo Hills district of Meghalaya.

## 2. METHODOLOGY

The nature of the study is to explore and describe the educational status of youth and the drop-out of students. The case study method was used to collect data and structured interview schedule was used as a tool to gauge views of respondents for the study indicating the specific educational status of youth and the factors responsible for drop-out. The demographic questions included: location, level of formal education, family annual income, factors responsible for drop-out and specific financial support received from the government. Accordingly the data was collected and analyzed to list the educational status of youth in East Garo Hills, Meghalaya.

### 2.1 Data Collection

- ✓ Primary Data: The primary data were collected through personal interview with the respondents using the well structured interview schedule.
- ✓ Secondary Data: The secondary data were collected from books, journals, internet and other published information.

### 2.2. Sampling Design

To study the educational status of youth in East Garo Hills, from Samanda Block, ten villages have been selected randomly. The villages are Cha'chatgre, Bolkinggre, Nengmandalgre, Rongregre, Achak Jangkegre, A'siragre, Warimagre, Balsrigittim, Nokgil A'we and Nengsanggre. 8 respondents had been selected from each village by Convenience sampling method and hence the total sample size is 80. For collecting primary data, structured interview schedule was used where formal interactions were held to document the required information.

### 2.3. Tools of Analysis

Personal interview and structured interview schedule is the major tool of data collection. Interview technique is to be made to know the Educational status of youth. All these data are to be arranged in various forms of tables and proposed to critically analyses with the help of a number of statistical tools- Graphical representation, Tabulation and Regression Analysis.

**Regression Analysis:** Regression analysis is generally done to estimate the relationship among variables. The most common form of regression analysis is linear regression. The linear regression can be divided into two types. When there are only one dependent and one independent variable, the simple linear regression is used. But, multiple linear regression is used when there is one dependent variable and two or more than two



independent variables. In this research, the multiple regression analysis is used to see the relationship between the drop-out rates (dependent variable) and factor responsible for drop-out (independent variables) of the respondents.

### 3. ANALYSIS AND INTERPRETATION OF DATA

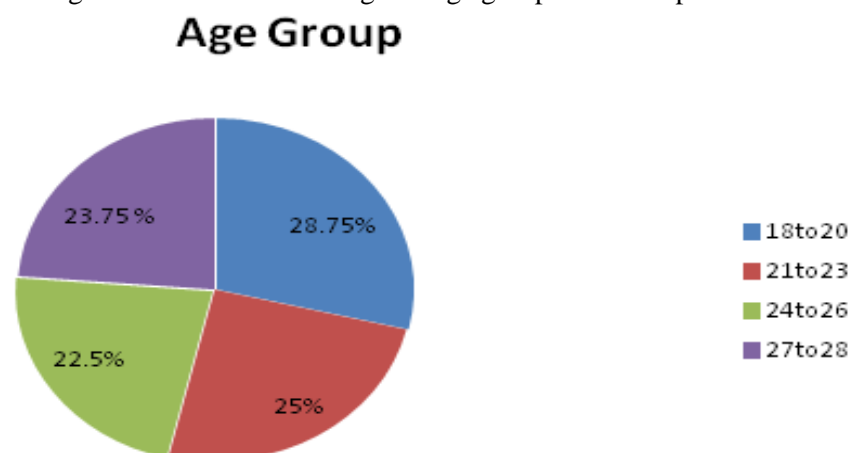
#### 3.1 Socio economic background

Primarily the people of East Garo Hills are agrarian and rural based. They depend on agriculture for their livelihood which adversely affects the educational status of the young people. However the socio-economic condition of the people in East Garo Hills has been improved from last decades. The reason may be the improvement of educational status in every society and the educational system as well. The policies and programs adopted by the government to eradicate the poverty in every villages also plays an important role in the uplifting the economic conditions of the people. The rural development programs like PDS, MGNREGA, PMGSY, IAY and several others are the major measures undertaken by the government for the improvement of economic conditions in East Garo Hills. The studies clearly reveal the socio-economic conditions of the youth which can be shown in the following tables and figures:

**Table-1 Socio-Economic Background of the Respondents**

Factors	Category	No. of Respondent	Percentage
Age	18-20	23	28.75%
	21-23	20	25%
	24-26	18	22.5%
	27-28	19	23.75%
	Total	80	100%
Gender	Male	55	68.75%
	Female	25	31.25%
	Total	80	100%
Educational Qualification	Illiterate	2	2.5%
	Primary	8	10%
	Secondary	25	31.25%
	Higher secondary	16	20%
	UG	21	26.25%
	PG	8	10%
	Total	80	100%
Annual Income	Below 1 lakh	54	67.5%
	1.1 to 1.5 lakh	18	22.5%
	1.6 to 2 lakh	4	5%
	Above 2 lakh	4	5%

Figure 3: Pie Chart showing the Age group of the Respondent



Sources: Data compiled from Field survey, 2016

Figure 3 shows that 28.75% of the total respondents fall under 18 to 22 years of age. Beside, 25% falls under the age group of 21 to 23 years. The 23.75 % of the respondents fall under the age group of 27 to 28 and 22.5% under 24 to 26 years respectively.

Table 2: Showing the Frequency of Employability

Occupations	Frequency	Percentage
Teacher	5	6.25%
Govt. Service	5	6.25%
Business	7	8.75%
Daily Wage Earner	10	12.5%
Others	5	6.25%
Not Employed	48	60%
Total	80	100%

Sources: Data compiled from Field survey, 2016

The table 2 shows the employment level of the youth in East Garo Hills. It clearly indicates that 60% of total respondent are not employed in any kind of job as they are studying in various schools and colleges. Whereas 12.5% are engaged in daily wage earner since most of them are school drop-outs and not educated. Likewise 8.75% are engaged in business, 6.25% government jobs, 6.25% teacher and another 6.25% are engaged in other kind of jobs like drivers, part-time job, etc.

Table3: Showing the Frequency of Average Annual income of the Respondents' families

Income	No. of Family	Percentage
Below 1lakh	54	67.5%
1.1 to 1.5 lakh	18	22.5%
1.6 to 2 lakh	4	5%
Above 2 lakh	4	5%
Total	80	100%

Sources: Data compiled from Field survey, 2016

The table 3 shows that the majority of the family earns a family income below 1 lakh with 67.5% which are of 54 families. 18 families earn income from 1.1 lakh to 1.5 lakh with a percentage of 22.5%. While 4 families 1.6 to 2 lakh and another 4 families above 2 lakh earn income with each percentage of 5%.

Table 4: Showing the Frequency of Family size of the Respondents

Family members	No of family	Percentage
Below 4	4	5%
5 to 6	18	22.5%
7 to 8	24	30%
9 to 10	25	31.25%
Above 10	9	11.25%
Total	80	100%

Sources: Data compiled from Field survey, 2016

From Table 4, it can be seen that the maximum number of the respondents are having a family members of 9 to 10 with 31.25%. And 30% of the respondents are having family members of 7 to 8. Whereas 22.5% of 5 to 6, 11.5% of above 10 and 5% of below 4 having family members respectively.

### 3.2 Educational status of youth in East Garo Hills

Many educational institutions are being set up in the state in recent years. However, the dimension of educational system still not covered the rural part of East Garo Hills. There are some villages where there is no school and colleges and the young people had to come out of the village in search of education. The present study reveals the present status of youth which will be shown in the following table and chart :

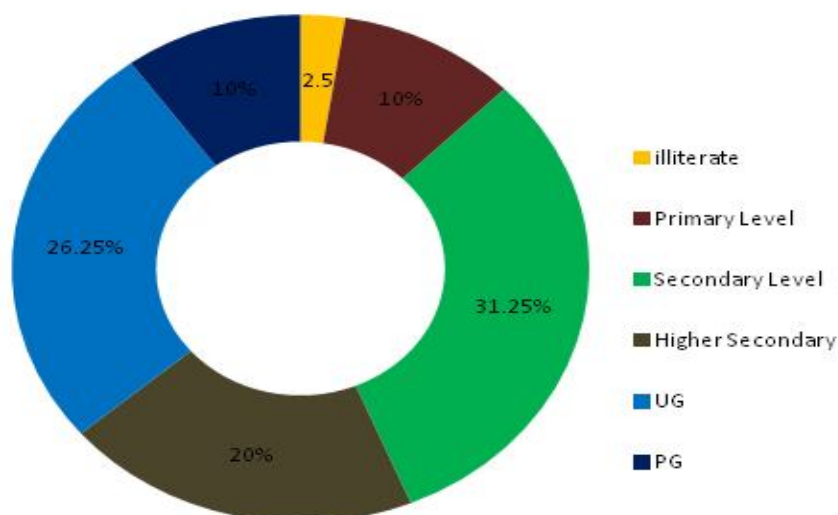
Table 5: Showing the Educational Status of youth

Educational Qualification	Frequency	Percentage
Illiterate	2	2.5%
Primary	8	10%
Secondary	25	31.25%
Higher secondary	16	20%
UG	21	26.25%
PG	8	10%
<b>TOTAL</b>	<b>80</b>	<b>100%</b>

Source: Data compiled from field survey, 2016

Table 5 reveals the educational status of youth as 2 respondents are illiterate, 8 respondents are under primary level, 25 respondents are under secondary level, 16 respondents are under higher secondary level, 21 respondents are under UG and 8 respondents are PG level. This can also be explained with the help of Figure 4.

Figure 4: Chart showing the educational status of the youth  
**Educational Status of youth**



Sources: Data compiled from Field Survey, 2016

Figure 4 reveals about the educational status of the youth. There are 2.5% of the illiterate youth in the area. The 10% of the youth educational status falls under Primary level. And the highest number of educational status falls under the category of Secondary level with 31.25%. The 20% falls under the category of Higher Secondary level. Another 26.25% of the youth falls under the category of Under Graduate (UG) level of education and almost all of them are pursuing their education. Besides all, 10% of the youth are Post Graduate (PG) and most of them are employed as Teacher, Government servant and so on.

### 3.3 Drop-out rate of the Area

The government has taken the initiative to bring a change in the literacy rate of the state. Even though there has been an increase in the educational level in Meghalaya, yet there are some portions of drop-out rates as well in school and college level which can be shown in the following Table 4:

Table 6: Showing area-wise drop-out rates in School and College level

Area	School Drop-out	College Drop-out
Cha'chatgre	0	1
Bolkinggre	4	0
Nengmandalgre	1	1
A'siragre	2	0
AchakJangkegre	2	1
Rongregre	4	0
Warimagre	2	0

Balsrigittim	1	1
NokgilA'we	2	1
Nengsanggre	1	1
Total	19	6
Percentage	23.75%	7.5%

Sources: Data compiled from Field survey, 2016

Table 6 shows that the drop-out rate in the school level in the district is 23.75%. And the drop-out rates in the college level is 7.5%. The total number of drop-out accounts 31.25% both from school and college level.

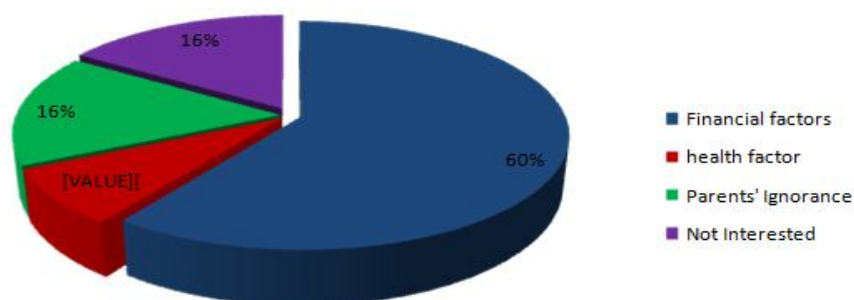
### 3.4 Factors responsible for drop out

There are several factors affecting the drop-out of students from college and school level. Some of the factors are financial factors, health factors, parents' ignorance and not interest to study by children.

Table 7: Showing factor responsible for drop-out

Factor responsible	No. of Drop-out	Percentage
Financial	15	60%
Health	2	8%
Parents Ignorance	4	16%
Not Interested	4	16%
TOTAL	25	100%

Figure 5: Pie Chart showing factor responsible for drop-out of students  
Percent



Sources: Data compiled from Field survey, 2016

Figure 5 clearly describe that highest number of drop-outs are mainly because of financial problem faced by the respondents which acquires highest percentage of 70%. While another factor responsible for drop-outs is health problems of the respondent which is of 10%. Other factors like Parents' ignorance and not interest to study further by respondents are also the responsible for drop-outs with percentage of 15% each.

### 3.5 The framework of Educational System in East Garo Hills

In the existing system of education there are numerous factors which directly or indirectly contribute the school drop-outs of many students. The poor environment of institution also plays an important role in determining the education of every student. There are number of schools and colleges in the district both private and government. The central government also took the initiatives for building the literacy rate through the educational policies like SSA and Mid-day meal.

Table 8: Showing the availability of different types of schools in the sample village

Name of the village	Govt. LP School	Govt. UP School	SSA School	Private School
Cha'chatgre	1	0	1	0
Bolkinggre	1	1	0	0
Nengmandalgre	1	1	1	1
A'siragre	0	0	0	0

<b>AchakJangkegre</b>	1	0	1	0
<b>Rongregre</b>	1	1	0	0
<b>Warimagre</b>	1	0	0	1
<b>Balsrigittim</b>	1	1	0	1
<b>NokgilA'we</b>	1	0	0	0
<b>Nengsanggre</b>	0	0	0	0
<b>TOTAL</b>	8	4	3	3

Sources: Data compiled from Field survey, 2016

From the above table, it can be seen that in almost all the village the Government LP School exist, but in the villages of A'siragre and Nengsanggre the Government LP School does not exist. The Government UP School exists only in four villages like Bolkinggre, Nengmandalgre, Rongregre and Balsrigittim. While the SSA School present only in three villages containing Cha'chatgre, Nengmandalgre and AchakJangkegre. And the Private schools are operated also only in three villages constituting Nengmandalgre, Warimagre and Balsrigittim.

Table 9: Showing the No. of Higher secondary Schools and Colleges available in the district

<b>Higher Secondary Schools</b>		<b>Colleges</b>	
<b>Government</b>	<b>Private</b>	<b>Government</b>	<b>Private</b>
2	1	1	1

Sources: Data compiled from Field survey, 2016

Table 6 shows that there are only two Government and one Private Higher Secondary Schools operated in the entire district of East Garo Hills. On the other hand, there are only one Government and one Private Colleges present in the district of East Garo Hills.

### 3.6 REGRESSION ANALYSIS

As discussed in the research methodology chapter, Multiple Regression Analysis was used for the purpose of this study. Here we consider dependent variable as Age of Respondent and independent variables are factors responsible for drop-out of the students. With the help of this statistical technique, the researcher can predict the score on one variable on the basis of scores on several other variables. The researcher has to identify the independent variable, which are also termed as "Predictor variables" in the study.

To make an analysis between drop-out rate and factor responsible for drop-out under different Age, multiple regression analysis is used. The data are as follows:

Drop-out rate per Age of the respondents	18	19	20	21	22	23	24	25	26	27	28
Financial Factor	2	4	0	1	2	1	1	1	1	0	2
Health Factor	0	0	0	0	0	0	0	1	0	1	0
Parents Ignorance	0	0	0	0	1	0	0	1	0	2	0
Not Interest	0	0	0	0	0	1	0	0	0	2	1



#### Descriptive Statistics

	Mean	Std. Deviation	N
Age of the Respondents	23.00	3.317	11
Financial Factor	1.36	1.120	11
Health Factor	.18	.405	11
Parents Ignorance	.36	.674	11
Not Interested	.36	.674	11

**OUTPUT 2**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.639 <sup>a</sup>	.408		.014	3.293

a. Predictors: (Constant), Not Interested, Financial Factor, Health Factor, Parents Ignorance

b. Dependent Variable: Age of the Respondents

**OUTPUT 3**

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.934	4	11.234	1.036	.461 <sup>a</sup>
	Residual	65.066	6	10.844		
	Total	110.000	10			

a. Predictors: (Constant), Not Interested, Financial Factor, Health Factor, Parents Ignorance

b. Dependent Variable: Age of the Respondents

**OUTPUT 4**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.634	2.031		11.144	.000
	Financial Factor	-.472	1.024	-.159	-.461	.661
	Health Factor	2.528	4.768	.308	.530	.615
	Parents Ignorance	-.876	2.987	-.178	-.293	.779
	Not Interested	2.388	1.898	.485	1.258	.255

a. Dependent Variable: Age of the Respondents

**OUTPUT 5**

**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	20.75	28.19	23.00	2.120	11
Residual	-3.690	3.922	.000	2.551	11
Std. Predicted Value	-1.063	2.446	.000	1.000	11
Std. Residual	-1.121	1.191	.000	.775	11

a. Dependent Variable: Age of the Respondents

**INTERPRETATION OF REGRESSION ANALYSIS**

1. The output 1 gives the descriptive statistics namely mean and standard deviation for the five variables and number of variates. Mean expiratory volumes is  $23.0 \pm 3.317$  ( drop-out/Age), financial factor is  $1.36 \pm 1.120$ , health factor is  $0.18 \pm 0.405$ , parents ignorance is  $0.36 \pm 0.673$  and not interest to study by respondents is  $0.36 \pm 0.673$ .
2. In Output 2, Model Summary<sup>b</sup>, the value 0.639 given under the column R is multiple correlation coefficients. These five variables are correlated significantly.
3. Output 3 gives the results on ANOVA, since the *p*-value given under significant value is  $>0.01$ .
4. Output 4 gives the coefficients; these values are needed to formulate regression equation.

5. Output 5 gives the residual statistics in which the number of cases, means and standard deviation for the predicted values of the dependent variable are given.

### **3.7 MAJOR FINDINGS OF THE STUDY**

- The study revealed that financial problem is the major obstacles of the youth for their further studies and factor responsible for drop-out as more than 50% of the families earn the annual income below RS 55,000.
- There is less number of schools and colleges in the District.
- There is only one Government college in the entire District which is not sufficient for the population of East Garo Hills.
- Most of the villages do not have proper road connections which is one of the major obstacles for the students.
- As there is no sufficient educational institution in a village youths have to travel far distance for their studies.
- Majority of the students with 60% faced the problem of transportation as the villages are far away from the town.
- Some of the villages are located across the Simsang River so the students of these villages faced the severe problem during the rainy season as there is no proper bridge.
- It is found that there is no Higher Technical Institution in the district of East Garo Hills which is the urgent need of the day.
- The sanitary system and health care facilities in most of the schools and colleges are not up to the mark.
- The study also reveals that the proper drinking water facilities are neglected in most of the schools and colleges.
- It is also found that the majority of the institutions have insufficient library facilities. This implies that the infrastructures provided by the administrators are inadequate.
- The Government schools and colleges do not have hostel facilities for the students.

### **3.8. RECOMMENDATIONS**

- The government should take the initiatives for opening up of more colleges and technical institutions in East Garo Hills.
- The measures like up-gradation of Higher Secondary level from secondary school level should be implemented by the government in every government schools of the district.
- There should be proper road connection from town to every village areas
- Regarding the transportation problem, the government should take the initiatives for providing the transportation facilities in every village.
- The administration should provide a proper sanitary system and health care facilities in every colleges and schools of the district.
- The state should also provide proper drinking water facilities in every public and private schools institutions.
- As the poor people cannot afford adequate books in their studies, the educational institution should maintain a proper and standardized library in their respective institutions.
- The Educational department should also organize some Counseling and Guidance Program for the students.
- The government should also grant appropriate scholarships for those students who cannot afford to study.
- The state government should also provide accommodation or hostel facilities for those students coming far away for their studies.
- The institutions like vocational institution, ITI, etc. should be open up in the district by the state for drop-out students.

### **CONCLUSIONS**

In conclusion, education is absolutely beneficial for society on the whole. It is a life-long process to each person that needs to be reinforced throughout life. However, we need education system that may eradicate illiteracy and may provide the common man an access not only to basic education but also to higher and technical education.

The constitution of India has provided an overview of issues, research, and reflections concerning the potential need for mainstream students to deeply learn about complex systems in physical and social sciences. It will be important for perspectives from the sciences of learning to contribute to these inquiries and explorations. In particular, researchers in the learning sciences may generate new scientific knowledge about the nature of learning related to current programs of interest in the field, such as conceptual change, knowledge transfer, and socio cultural dynamics of learning. If, as we hope, efforts are made over the next few years to evolve content standards in the physical and social sciences to infuse knowledge from emerging scientific understandings about complex systems.

However, study are fully aware that it is just the beginning of exploration of cognitive and learning issues associated with complex systems concepts and principles and of the theory and research implications that complex systems perspectives might have for the learning sciences. It remains to be determined how the study of complex systems might impact the field of the learning sciences and the enterprise of education more generally.

The educational status of youth of East Garo Hills has not reach up to the subsistence level; it is mainly because of the poor economic status and poor educational system in the district. Therefore it can be seen that more attention should be given to the entire education system of East Garo Hills, Meghalaya,

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Appendix-2 Photo Gallery



Pictures taken during collecting data from the villagers







Pictures taken during field survey.

## EMOTIONAL COMPETENCE AS A PREDICTOR OF SUCCESS IN LIFE

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Every human being is surrounded by the social environment whenever a child comes in contact with other peoples, he makes a society, and survives in this society by sharing their emotions intellectually the survival of any person is contingent on emotional management. The emotional security is necessary for the success of any person in any field of life.

**GOLEMAN (1995)** claimed that emotional intelligence is a better predictor of success in all sorts of area like-work ,school and relationship ,I.Q only accounts for about 20% of a person's success, whereas Emotional intelligence predicts 80% of the person's success in life. 'Emotional Effectiveness' refers to specific personal social skills, habits and attitudes that lead to superior performance. By developing or enhancing these skills, we can significantly improve our capacity for personal, academic and professional success and be more productive than others in every area of our lives.

### WHAT IS EMOTIONAL INTELLIGENCE

Emotional intelligence refers to capacity to deal effectively with one's own and others emotions. When applied to the work place, emotional intelligence is about thinking intelligently with emotions, perceiving, expressing, understanding and managing emotions in a professional and effective manner at work.

### EMOTIONAL COMPETENCE

Emotional Competence has been an emerging topic among social and organizational psychologists. Emotional Competence has its roots in the concept of social intelligence, first identified by Thorndike in 1920. Following Thorndike's ideas, Gardner (1993) included interpersonal and intrapersonal intelligence. Further they defined Emotional Competence as a set of interrelated skills, which comprised the ability to perceive accurately, appraise and express emotions, the ability to access and or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge and the ability to regulate emotions to promote emotional and intellectual growth further The four dimensional definition of Emotional Competence was developed by Davies et al. (1998), which included:

- i) Appraisal and expression of emotion in oneself
- ii) Appraisal and expression of emotion in others
- iii) Regulation of emotion in oneself
- iv) Use of emotion to facilitate performance.

According to Goleman (1995) Emotional Competence is a learned capability based on Emotional Intelligence that results in outstanding performance at work or in any other situation because of relational skills. An emotional competency needs to be manage one's own feeling and behavior and deal well with others.

Ciarrochi et. Al identified Emotional Competence as the ability to understand, manage and express the social and emotional aspects of one's life in ways that enable the successful management of life. It includes Self-awareness, Emotional Regulation, Working Co-operatively and Caring about Oneself and Others.

### HOW IT WORKS

We have two minds-one that thinks (**rational mind**) and one that feels (emotional mind). One acts according to his/her emotional and **rational mind**. The intellect is based solely on the working of the neo cortex, the more recently evolved layer at the top of the brain. The emotional centers are lower in the brain in the more ancient sub cortex. Emotional Intelligence involves these emotional centers at work in concert with the intellectual centers Josph Ledoux, a neuroscientist at center for Neural Science at New York University made in recent years a landmark discovery about the relationship and interaction of the emotional and thinking brains. He pinpointed the neural pathways bringing information to The brain Through the senses and discovered that information entering through the eyes or ears goes first to the thalamus, which acts as a sort of mail sorter, deciding which parts of the brain to send the information. If the incoming information, for instance, is emotional, the thalamus sends out two signals- first to the amygdale –the centre of the emotional mind, and the second to the neocortex, What this means is that the emotional brain has the information first, and in the event of a crisis can react before the thinking brain has even received the information and had a chance to weigh the options. Goleman calls this an emotional hijacking because it occurs so fast that the thinking brain has no opportunity to grasp what is occurring and decide on the best course of action. The amygdale and neo cortex

may sound like perfect partners, the alert sentry signaling danger and the cool strategist selecting prudent courses of action, but the sentry can easily override and powerful emotions can disrupt your ability to think and reason. That's why one complains that he 'can't think straight' when he is upset.

## COMPONENTS OF EMOTIONAL COMPETENCE

The four dimensions of Emotional Competence and its subcomponents are described below.

### I. Self-awareness

- **Emotional self-awareness:** Recognizing one's emotions and their effects.
- **Accurate self-assessment:** Knowing one's strengths and limits.
- **Self-confidence:** Sureness about one's self-worth and capabilities.

### II. Self-management

**Emotional self-control:** (Managing disruptive emotions and impulses)

- **Trustworthiness:** Maintaining standards of honesty and integrity.
- **Conscientiousness:** Taking responsibility for personal performance.
- **Adaptability:** Flexibility in handling change.
- **Optimism:** Persistence in pursuing goals despite obstacles and setbacks.
- **Achievement Orientation:**

Striving to improve or meet a standard of excellence.

- **Initiative:** Readiness to act on opportunities.

### III. Social awareness

- **Empathy:** Sensing others' feelings and perspective, and taking an active interest in their concerns.
- **Organizational awareness:** Reading a group's emotional currents and power relationships.
- **Service orientation:** Anticipating, recognizing, and meeting customers 'needs.

### IV. Relationship Management

- **Developing Others:** Sensing what others need in order to develop, and bolstering their abilities.
- **Inspirational leadership:** Inspiring and guiding groups and people.
- **Influence:** Wielding effective tactics for persuasion.
- **Communication:** Sending clear and convincing messages.
- **Change catalyst:** Initiating or managing change.
- **Conflict management:** Negotiating and resolving disagreements.
- **Building bonds:** Nurturing instrumental relationship.
- **Team work and collaboration:** Working with others toward shared goals and creating group synergy in pursuing collective goals.

## NEED OF EMOTIONAL COMPETENCE

- ❖ The present generation of children is more emotionally troubled than the last. On an average, children are growing more lonely and depressed, more nervous and prone to worry, more impulsive and aggressive. So there is an increasing need to address the emotional health of our children and adolescents.
- ❖ Children with high EQ and better emotional competence are more confident, are better learners, have higher self-esteem, have fewer behavioral problems, are more optimistic and happier.
- ❖ People with well-developed emotional skills are more likely to be content and effective in their lives, mastering the habits of mind that foster their own productivity.
- ❖ Across various job levels, Emotional Intelligence matters twice as much as technical and analytic skill combined.
- ❖ Competence needs to be developed to be a truly effective teacher.

- ❖ Not only does Emotional Intelligence greatly contribute to job performance and leadership, but it has also been found of increase profits.

## **IMPORTANCE OF EMOTIONAL COMPETENCE FOR SUCCESS IN LIFE**

### **1. INSURANCE FOR SURVIVAL**

Our survival is dependent on emotional security. Our emotions alert us when natural human need is not being met. Satisfaction of human emotional needs is a matter of life and death. All human beings have basic emotional needs.

### **2. RESONSIVE COMMUNICATION**

Our emotions help us communicate with others. Our facial expressions can convey a wide range of emotions it we look sad or hurt we are signally to others that we need their help.

### **3. EFFECIENCEY OF DECISION MAKING**

When a person's emotional connections are severed in the brain he cannot make even simple decisions. We must understand how we will feel about our choice.

### **4. PROMTING SOCIAL COHESION**

Unity in diversity is necessary for the development of a cohesive society Emotions are universal Empathy, compassion, cooperation and forgive- ness have the potential to unite us as a species. Beliefs can divide us but emotions unity us.

### **5. PROBLEM SOLVING**

ELIAS, et.al. (2004) have said that emotional intelligence helps to solve problems by using both logics and filings, being flexible in changing situations, helping other people express their need calmly and thoughtfully responding to difficult people, Keeping an optimistic and positive outlook, and continuously learning how to improve ourselves.

### **6. BETTER PERFORMANCE IN ANY FIELD OF WORK**

Emotional intelligence has been shown to be consistent predictor of personal and professional achievement. Today emotional intelligence is viewed in many leading organizations as a key indicator of potential performance in any field of work.

## **HOW TO DEVELOP EMOTIONAL COMPETENCE**

### **1. Raising E Q**

Studies have shown that I.Q. is inherent but E.Q. can be developed and nurtured. For raising E.Q one should have to develop his emotional competence. For developing emotional competence one should concentrate on building skills in these five areas, identified by Yale psychologist, Peter Shalvey:

### **2. Knowing emotions**

Increasing self-awareness i.e. the ability to recognize a feeling as it happiness, developing the habit of monitoring feelings from moment to moment.

### **3. Regulating emotions**

Improving ability to feelings and to recover quickly from upsets and distress.

### **4. Motivating oneself**

Learning to marshal emotions in order to reach goals applying self-control and self-discipline, delaying gratification and stifling impulsiveness.

### **5. Cultivating empathy**

Putting oneself in the other person's shoes, trying to recognize, identify, and feel what others are feeling.

### **6. Managing relationships**

Responding appropriately and in helpful ways to the feelings of others, striving for social competence and inculcating leadership qualities.

An emotionally intelligent society is need of the hour It is needed that a person should to be make emotionally balanced & secured from the days of his/ her child hood. We need to start teaching its From school then colleges If it affect students environment, then it is imperative for schools to integrate it in their curricula hence raising the level of student's success. Teaching emotional and social skills are very important at school, it can positively affect academic achievement and success in their lives not only during the year they are thought, but during the years to follow.

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AN ANALYTICAL STUDY OF EDUCATION ATTAINMENT IN INDIA  
(SPECIAL CASE OF DKRU)

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**ABSTRACT**

*India economy is the fastest growing economy after holding sixth rank in nominal term and third largest in Purchasing power parity adjusted exchange in world. However standard of living reflects bad condition with 118<sup>th</sup> rank on the basis of low per capita income. Still 41.6% of India's population is living below the new international poverty line of \$ 1.25(PPP) per day.*

*Despite this socio-economic development need attention, Literacy in India is pivotal for socio- economic progress and it plays a major role in the economic development of a nation. Although India has raised its current literacy rate of 75% (2016) from 12% at the time of Independence in 1947, its still lag behind the world average literacy rate of 84%. Compared with other nations, Although this was a greater than six fold improvement , the level is well below the world average literacy rate of 84% and India currently has the largest illiterate population of any nation on earth.*

*India has more than 1.4 million school with over 227 million student enrolled and more than 36000 higher education institutes still India education attainment is at trajectory path due to partially arrest in quality of learning etc.,*

*Literacy rate in Delhi is 86.34 % but Kerala is the most literate state in India with 93.91% literacy rate followed by Uttar Pradesh 69.72%and Rajasthan 67.02%.*

*This research paper is based on the objective of analysis Education attainment in Delhi, Kerala Rajasthan and Uttar Pradesh and how Indian suggests policy and recommended measure to be adopted by the states to help in improving the capabilities of their human resources.*

*Key words: Human development index, Mean year schooling, Expected year schooling*

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**INTRODUCTION**

The process of enlarging human potential by expanding and improving human health, knowledge and skills is called human development.

People need environment in which they develop their full potential and lead productive , creative live as per own need and interest. Human development must process the three essential capabilities are for people to lead

- A long and healthy life
- Knowledge acquired
- Access to resources needed for decent standard of living.

Human are the agents of development. In present world, Human should be a highly skilled and competent knowledge resources in order to find place in global competition, rapid technological change, meeting cultural diversity and ethical values.

Human resources development reflects trained and developed human being are front runners of healthy and sustain nation.

According to Indian ministry of Human resource development (2013), "the essence of Human resources development is education, which plays a significant and remedial role in balancing the socio-economic fabric of the country, since citizens of India are its most valuable resources, our billion strong nation needs the nature and care in the form of basic education to achieve better quality of life. This warrants an all round development of our citizens, which can be achieved by building strong foundation in education".

**HUMAN DEVELOPMENT INDEX**

In 1990 UNDP, define and formulated Human development index with given indicator i.e. health, education, income, inequality, poverty, gender, sustainability, demography, composite indices, innovation and technology and trade, economy and income

$$HDI = \sqrt{\text{Life expectancy index} + \text{education index} + \text{income index}}$$

This research includes education achievement and its index. Education index includes

1. Mean year of schooling.
2. Expected year of schooling.

Mean year of schooling replaced the adult literacy rate and expected year of schooling replaced combined gross enrolment ratio in primary, secondary and tertiary education. Mean year of schooling

$$(MYS) = \sum HS * YS$$

Where,

HS → proportion of population for which the level of education is the highest level attained

YS → official duration of the level of education .

Mean year of schooling considered ISCED and involve complete and incompleting primary, secondary and higher education. Expected year of schooling(EYS) defined as the number of year of schooling that a child of school entrance age can expected to receive if prevailing patterns of age- specific enrolment rates were to stay the same throughout the child's life. Objective behind the EYS is to know over all of development of an education system in terms of the average number of years of schooling that it offers to the eligible population, including those who never enter the school.

$$EYS = \sum E/P$$

Where,

E → enrolment of population at age

P → population of age in school year.

## OBJECTIVE OF STUDY

- To access the education index in sample state (DKRU).

## HYPOTHESES

- Education index is important (valuable) measure for Human development index.

## RESEARCH DESIGN AND METHODOLOGY

Data	Secondary
Data source	Research paper, books, periodicals, journals and government, human development reports
Period of study	2011-2014
Type of research	Quantitatives & Qualitative research design to measure the magnitude and extent of Education index. Empirical and descriptive research
Tools	Present study use time series longitudinal analysis
Sample size	Delhi, Kerala ,Rajasthan and Uttar Pradesh.
Parameters	Education index, mean years of schooling expected years of schooling

## LITERATURE REVIEW

According to Kalpana Satija, Mohan Patel, Keya Patel, Human development placed a conception of basic requirement and students for upliftment of the people. These concepts help to reduced poverty and make well structure society. Socio-economic disparities between the richest and poorest people, it seems not only economics growth dividing the status of the countries but human development indicates also emphasis for the universal developing countries position. In that perspective it is very significant to measure human development indicators. There is no doubt there would be spreading gap among all the indicators but this measurement providing chance to upliftment of welfare of the society.

According to Akbar K.hodabakshi , 211, Human development index is a composite index to measure the development of human resources in each country and four indicators of life expectancy, income per capita the average number of year of education will be formed.

Hasan Al-Hilani , 2012, After 1990 HDI construction and formulation had improved a lot. HDI is a credible index for providing us with an alternative view of human development HDI has provided us with multiple dimensional framework to measure development compared to one dimensional income approach. Gender



discrimination indexes and inequality index are other good indexes. They should all be considered fully before making any general policy recommendation

HDI is not perfect index in order to clarify the it paper try to construct the new composite index by adding a fourth indicator, namely the unemployment index. it has the potential to make index more comprehensive and present a suitable approach for assessing the development performance Countries

A history by Elizabeth A. Stanton, HDI should see as evolving and improving rather than as something cast in stone. It is also an exercise in which as many of its users as possible should actively participate. HDI has players two key role in field of applied development economics. HDI makes it possible for policy makers and development professionals worldwide to gauge both moments and trends in the progress of Human development and suggest action for current and future social & economic condition. Revision of HDI in future is necessary to correct technical problems as they come to light, to permit HDI to involve measure of Human capabilities and Human development .

Jandhyala B.G. Tilak 2011, the growth, achievement and problem in Elementary Education in India. Under it various questions arise as why do children not go to schools? Once they enroll in schools they do they drop out soon, before completing a given cycle of education? When they continue in schools, why are their levels of learning not satisfactory and why are the overall education outcomes of the primary and upper primary schools not up to the mark?

### DATA ANALYSIS

In this study researcher construct the education index and find the trend of education index from different states during different period of time. After the examination of data obtained from India human resources development report ,state report card and AICHE, on Education Development Index, it is clear that Delhi has taken highest rank followed by Kerala Uttar Pradesh have taken consistently same rank. While, Rajasthan has moderate rank of education index.

**Table 1: 2014 Education Index and its component**

2014-15	MYSI INDEX	EYS INDEX	Education INDEX
<b>Delhi</b>	0.72	0.5	0.61
<b>Kerala</b>	0.74	0.3751	0.55755
<b>Rajasthan</b>	0.7	0.26	0.48
<b>Uttar Pradesh</b>	0.74	0.51	0.625

**Interpretation:** 2014, In preset study, it is observe that Uttar Pradesh and Delhi have first position followed by Kerala and Rajasthan due to the mean year of schooling.

**Table 2: Education Index and its component 2013**

2013-14	MYSI INDEX	EYS INDEX	
<b>Delhi</b>	0.84	0.83	0.835
<b>Kerala</b>	0.72	0.69	0.705
<b>Rajasthan</b>	0.67	0.61	0.64
<b>Uttar Pradesh</b>	0.73	0.58	0.655

**Interpretation:** 2013 research observes, all the four sample states reflect good condition in all the parameter. Delhi leads with .835 followed by Kerala, Uttar Pradesh and Rajasthan.

**Table 3: Education Index and its component 2012**

2012-13	MYSI INDEX	EYS INDEX	
<b>Delhi</b>	0.7	0.405	0.5525
<b>kerala</b>	0.75	0.346	0.548
<b>Rajasthan</b>	0.66	0.208	0.434
<b>Uttar Pradesh</b>	0.78	0.498	0.639

**Interpretation:** 2012 research observe that education index of Uttar Pradesh score high followed Kerala and Delhi. Rajasthan reflects bad condition.

**Table 4: Education Index and its component 2011**

2011-12	MYSI INDEX	EYS INDEX	
Delhi	0.63	0.808	0.719
kerala	0.65	0.61	0.63
Rajasthan	0.72	0.601	0.6605
Uttar Pradesh	0.72	0.487	0.6035

**Interpretation:** 2011 According to Human Development report, regarding education index of Kerala is highest while research observe that Delhi is get highest expected year schooling index followed by Kerala and Rajasthan while Uttar Pradesh have lowest.

#### **FINDING**

- It is observe that Kerala and Delhi have taken highest rank than Uttar Pradesh and Rajasthan.
- According to UNDP 2015, rank of Kerala (.717) highest position followed by Delhi (.70), Rajasthan (.516) and Uttar Pradesh (.545). Kerala have high human development while Rajasthan and Uttar Pradesh come under low /medium human development.
- One of the study publish live mint 08 feb 2017, Kerala HDI occupy first position since 2007-08 although Rajasthan move down from 12 and Uttar Pradesh move up from 14 HDI to 16 HDI.
- Study observes Uttar Pradesh and Rajasthan enjoying higher mean year schooling index followed by Delhi and Kerala. Due to more mean year of schooling, education index of Delhi and Rajasthan while Uttar Pradesh left behind.
- In the study, it is reflects that Uttar Pradesh consistently enjoying more .6 educational index, Delhi shows great fluctuation , Rajasthan follow low fluctuation and Kerala shows moderate fluctuation in education development index.

#### **SIGNIFICANCE OF THE STUDY**

- Human resource development leads better education and health condition.
- Education improves skill and health improves efficiency which ultimately increase productivity in society
- By developing skill and security, Human resource development can r\eradicate socio economic backwardness.

#### **LIMITATION OF THE STUDY**

- Secondary data are already generated. Adjustment chance is lesser.
- Given data creates problem. It may either fulfill the research requirement or not.
- Secondary data may possess erroneous and bias.
- Secondary are already going through the statistical technique.
- Inadequate data availability as change made by UNDP measurement process of EDI.

#### **CONCLUSION**

From the preset study , research find that mean year of schooling reveals Kerala a state of high education attainment is left behind due completed education failure statistics and expected year schooling give boost up the Delhi , Uttar Pradesh and Rajasthan is still lag behind in all the parameter. Here it is finds present data is not sufficient for study. Despite Education is valuable for human development index other parameter are equally important for measurement.

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## **A CONCEPTUAL FRAMEWORK ON GREEN MARKETING – A STUDY**

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### **ABSTRACT**

*In today's business world environmental issues plays an important role in marketing. As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. All most all the governments around the world have concerned about green marketing activities that they have attempted to regulate them. For example, in the United States (US) the Federal Trade Commission and the National Association of Attorneys-General have developed extensive documents examining green marketing. There has been little attempt to academically examine environmental or green marketing. This article introduces the terms and concepts of green marketing, briefly discuss why going green is important and also examine some of the reason that organizations are adopting a green marketing philosophy. It also focuses some of the problems with green marketing.*

*Keywords: Green Marketing, Recyclable, Social Responsibility, Government Pressure.*

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### **INTRODUCTION**

Many people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Generally terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. In general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourism" facilities, i.e., facilities that specialize in experiencing nature or operating in a fashion that minimizes their environmental impact. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. But to define green marketing is not a simple task.

The terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing. While green marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". Green marketing is defined as "Green or Environmental Marketing consists of 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."

This definition incorporates much of the traditional components of the marketing definition, that is "All activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants" Therefore it ensures that the interests of the organization and all its consumers are protected, as voluntary exchange will not take place unless both the buyer and seller mutually benefit. The above definition also includes the protection of the natural environment, by attempting to minimize the detrimental impact this exchange has on the environment. This second point is important, for human consumption by its very nature is destructive to the natural environment. So green marketing should look at minimizing environmental harm, not necessarily eliminating it.

### **IMPORTANCE OF GREEN MARKETING**

Man has limited resources on the earth, with which she/he must attempt to provide for the worlds' unlimited wants. There is extensive debate as to whether the earth is a resource at man's disposal.. In market societies where there is "freedom of choice", it has generally been accepted that individuals and organizations have the right to attempt to have their wants satisfied. As firms face limited natural resources, they must develop new or alternative ways of satisfying these unlimited wants. Ultimately green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organization's objectives.

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons are as follows:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organizations believe they have a moral obligation to be more socially responsible. Governmental bodies are forcing firms to become more responsible.
3. Competitors' environmental activities pressure firms to change their environmental marketing activities.
4. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.

### **OPPORTUNITIES**

All types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. In a 1992 study of 16 countries, more than 50% of consumers in each country, other than Singapore, indicated they were concerned about the environment. A 1994 study in Australia found that 84.6% of the sample believed all individuals had a responsibility to care for the environment. A further 80% of this sample indicated that they had modified their behavior, including their purchasing behavior, due to environmental reasons. As demands change, many firms see these changes as an opportunity to be exploited. It can be assumed that firms marketing goods with environmental characteristics will have a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer need. McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion. Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

This is not to imply that all firms who have undertaken environmental marketing activities actually improve their behavior. In some cases firms have misled consumers in an attempt to gain market share. In other cases firms have jumped on the green bandwagon without considering the accuracy of their behavior, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims.

### **SOCIAL RESPONSIBILITY & GREEN MARKETING**

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. Firms in this situation can take two perspectives; (1) they can use the fact that they are environmentally responsible as a marketing tool; or (2) they can become responsible without promoting this fact. There are examples of firms adopting both strategies.

Organizations like the Body Shop heavily promote the fact that they are environmentally responsible. While this behavior is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy is directly tied to the overall corporate culture, rather than simply being a competitive tool. An example of a firm that does not promote its environmental initiatives is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

### **GOVERNMENTAL PRESSURE**

As with all marketing related activities, governments want to "protect" consumers and society; this protection has significant green marketing implications. Governmental regulations relating to environmental marketing are designed to protect consumers in several ways, 1) reduce production of harmful goods or by-products; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

Governments establish regulations designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol.

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**COMPETITIVE PRESSURE**

Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. In some instances this competitive pressure has caused 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. In another example when one tuna manufacturer stopped using driftnets the others followed suit.

**COST OR PROFIT ISSUES**

Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced. In other cases firms attempt to find end-of-pipe solutions, instead of minimizing waste. In these situations firms try to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production. One Australian example of this is a firm who produces acidic waste water as a by-product of production and sells it to a firm involved in neutralizing base materials. The last way in which cost or profit issues may affect firms' environmental marketing activities is that new industries may be developed. This can occur in two ways: 1) a firm develops a technology for reducing waste and sells it to other firms; or 2) a waste recycling or removal industry develops. For example, firms that clean the oil in large industrial condensers increase the life of those condensers, removing the need for replacing the oil, as well as the need to dispose of the waste oil. This reduces operating costs for those owning the condensers and generates revenue for those firms cleaning the oil.

**SOME PROBLEMS WITH GREEN MARKETING**

There are a number of potential problems that must overcome. One of the main problems is that firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. Green marketing claims must clearly state environmental benefits. A problem of the firms face is that who modify their products due to increased consumer concern must contend with the fact that consumers' perceptions are sometimes not correct. For example the McDonald's case where it has replaced its clam shells with plastic coated paper. There is ongoing scientific debate which is more environmentally friendly. Some scientific evidence suggests that when taking a cradle to grave approach, polystyrene is less environmentally harmful if this is the case McDonald's bowed to consumer pressure, yet has chosen the more environmentally harmful option. When firms attempt to become socially responsible, they may face the risk that the environmentally responsible action of today will be found to be harmful in the future. Take for example the aerosol industry which has switched from CFCs (chlorofluorocarbons) to HFCs (hydro fluorocarbons) only to be told HFCs are also a greenhouse gas. Some firms now use DME (di-methyl ether) as an aerosol propellant, which may also harm the ozone layer. Given the limited scientific knowledge at any point, it may be impossible for a firm to have made the correct environmental decision. This may explain why some firms, like Coca-Cola and Walt Disney World, are becoming socially responsible without publicizing the point.

They may be protecting themselves from potential future negative backlash; if it is determined they made the wrong decision in the past. While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. For example, guidelines developed to control environmental marketing address only a very narrow set of issues, i.e., the truthfulness of environmental marketing claims. If governments want to modify consumer behavior they need to establish a different set of regulations. Thus governmental attempts to protect the environment may result in a proliferation of regulations and guidelines, with no one central controlling body. Reacting to competitive pressures can cause all "followers" to make the same mistake as the "leader." Mobil Corporation who has followed the competition and introduced "biodegradable" plastic garbage bags, as because technically these bags were biodegradable, the conditions under which they were disposed did not allow biodegradation to occur. Mobil was sued by several US states for using misleading advertising claims. Thus blindly following the competition can have costly ramifications.

The push to reduce costs or increase profits may not force firms to address the important issue of environmental degradation. End-of-pipe solutions may not actually reduce the waste but rather shift it around. While this may be beneficial, it does not necessarily address the larger environmental problem, though it may minimize its short term affects. Ultimately most waste produced will enter the waste stream, therefore to be environmentally responsible organizations should attempt to minimize their waste, rather than find "appropriate" uses for it.

## **CONCLUSION**

Green marketing covers more than a firm's marketing claims. While firms must bear much of the responsibility for environmental degradation, ultimately it is consumers who demand goods, and thus create environmental problems. One example of this is where McDonald's is often blamed for polluting the environment because much of their packaging finishes up as roadside waste. It must be remembered that it is the uncaring consumer who chooses to dispose of their waste in an inappropriate fashion. While firms can have a great impact on the natural environment, the responsibility should not be theirs alone. It appears that consumers are not overly committed to improving their environment and may be looking to lay too much responsibility on industry and government. Ultimately green marketing requires that consumers want a cleaner environment and are willing to "pay" for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution. It must not be forgotten that the industrial buyer also has the ability to pressure suppliers to modify their activities. Thus an environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their suppliers to behave in a more environmentally "responsible" fashion. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.

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**DEFICIENCY IN MEDICAL SERVICES AND LAW RELATING TO CONSUMER PROTECTION ACT**

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The grab of doing medical services<sup>1</sup> to the community have continued commercial activity. Doctors are mercilessly extracting money from helpless patients and their family members yet doctor's do not provide necessary services to the society. By taking requisite fees<sup>2</sup> if the doctor is unable to perform their duty, neglect their services by which patient suffers, the matter can be taken by Consumer Forum. After considering the case Forum can direct the doctor to provide adequate compensation to the victim for negligence.

Rendering Medical services by doctor for consideration falls within the ambit of service. The term service<sup>3</sup> as introduced in the Consumer Protection Act 1986 interalia includes Medical Service. Any person who avails medical services for any consideration from doctor becomes a consumer under the Act. Accordingly for any deficiency in such medical services, he can invoke the jurisdiction of the Act to claim remedies contemplated therein.

Society has entrusted<sup>4</sup> with members of medical profession in the responsibility to bring justice, social and economic in society. For carrying out this responsibility honestly they command high status. But doctors<sup>5</sup> wrongful behaviour, forbidden act, carelessness, negligence may amount to deficiency of service.

The intention of introducing medical profession<sup>6</sup> into the ambit of Consumer Protection Act is to punish the negligent doctor. The application of the Act to doctor is therefore to penalize them or so called protection of patient. The relationship between doctor and patient is that of recipient of service and provider of service. The service provider<sup>7</sup> armed with knowledge, and manipulative skill, often attempt to exploit the patient, despite the existence of the provision in consumer laws protecting their interest.

Doctor – patient relationship<sup>8</sup> has been confined through rules of ethical and rule of law. It is relationship based on trust when patient seeks physician help. The doctor agree to give that help, a special covenant is made. The patient agrees to take doctor into confidence. It reveals to him even the most secret and intimate information relating to medical service. The physician in turn agrees to honour that trust and placing their interest above all other including personal or financial concern. Medical profession used to rest doctor honesty and nobility on one hand and patient trust and faith on the other. The relationship between doctor<sup>9</sup> and patient is legally recognized as that of contractual nature. Because its foundation lies in consent and a contract emerging there from. Hence, contractual obligation of a doctor revolves around two strict duties imposed by law i.e. (i) to act honestly ; (ii) to ensure that confidence is not abused (iii) to use due diligence and skill in the conduct (iv) to act utmost good faith and to make true, full, accurate disclosure of material facts which are likely to known him. Very often success or failure of a doctor depends upon factors<sup>10</sup> beyond medical doctors control. In devising a rational approach to medical liability which must provide proper protection to patient who is a consumer. The approach of the court is to require that medical doctor should possess a certain minimum degree of competence. They should exercise reasonable care in discharging of their duties. Doctor is liable for negligence act which they committed in performance of their duties. In the even of their failure, to exercise reasonable skill and care, they can be sued for negligence.

Service must be<sup>11</sup> provided with smile. Because smile costs nothing but gives everything. It hardly takes a moment. It speaks volumes of friendly and pleasant approach, patient thereby feels welcoming warmth and instant rapport is developed between. A friendly smile brings cheer to all depressed patient. It helps assurance to humanitarian services. Section 2(1)(0)<sup>12</sup> of the Consumer Protection Act define service which means service of any description which is made available to potential users. It includes the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, boarding or lodging or both house constructions, entertainment, amusement or purveying of news. But does not include rendering of any service free of charge or under contract of personal service.

The Consumer Protection Act brings relief to the patient by introducing the concept of deficiency, in service. It is defined in the Act "Any fault, imperfection, short coming<sup>13</sup>, inadequacy in the quality, nature and manner of performances which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service. Haryana High Court has observed that deficiency under consumer jurisdiction undoubtedly includes what is negligence in the law of tort.



The decision of the Supreme Court in the matter of Indian Medical Association vrs V. P. Santha<sup>14</sup> set on this point to rest that the court held that member of medical profession can be held guilty of negligence. They can be asked to pay compensation under Consumer Protection Act.

The necessity of Consumer Protection Act arose because the existing laws of land<sup>15</sup> which provides for action in case of Medical Negligence under Law of Tort and Indian Penal Code have well documented problem. These include following delay in Medical negligence cases tends to be greater (ii) cost of bringing an action which is notoriously high in relation to sum received in damages (iii) limited access in courts. (iv) success depends on proof of both negligence and causation which is particularly difficult in case of medical negligence. Hence the necessity to provide alternative system which would easily accessible, speedy and cheap gave birth of Consumer Protection Act. The Act is applicable for doctor because there is no provision in the Indian Medical Council Act to entertain the complaint from patient and to take action against doctor and to award compensation in case of negligence.

In spite the host legislation none could them could be described as consumer specific. None of them provide the right of consumer. The helpless and harassed consumer did not really get effective measures. With the enactment of Consumer Protection Act, scenario has undergone change. When the doctors deviates from the standard of practice, they will suffer the deficiency of medical services. Legal actions have been initiated on the erring medical professionals.

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## THE HIDEED CAUSE OF BUS ACCIDENT IN INDIA- STRESS, A STUDY WITH SPECIAL REFERENCE TO CHENNAI

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### ABSTRACT

*Stress is a feeling which everyone undergoes in their professional and personal life. Many times the performance of a person does not depend on skill and experience alone, but also it depends on the stress level. Driving is a talent that needs more concentration, especially when one is driving a heavy motor vehicle carrying public. In this instance, Bus stands number one of the major mode of transportation which carries public from one place to another. The bus drivers are influenced to stress when they are driving the bus. Hence this study was taken to know the reason, impact and remedy issues to eradicate stress among the bus drivers. The study was conducted in Chennai. This paper has also consists of data analysis with reference to stress on bus drivers.*

*Keywords: bus, driver, stress, Chennai*

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### INTRODUCTION

The word stress was derived from physics by one of the forefathers of stress research Hans Selye. In physics, stress describes the force that produces strain on a physical body (i.e.: bending a piece of metal till it comes in a new shape because of the force, or stress, exerted on it). Hans Selye used the term stress after completing his medical training in the 1920 at the University of Montreal. He founded that they all looked vile. He exclaimed that they were under physical stress.

Stress is a common issue that affects almost every one of us in our lives. Learning to identify when we are under stress, what is stressing you, and different ways of managing with stress can greatly improve both your physical and mental wellbeing. Anything that poses a challenge or a threat to our well-being is a stress. Some stresses get you going and they are good for you - without any stress at all many say our lives would be pointless and would probably feel boring. However, when the stresses undermine both our mental and physical health they are bad. In this context we shall be focusing on stress that is bad for bus drivers.

### WHAT IS STRESS?

We use the term "**stress**" commonly when we feel that everything seems to be too complicate - we are overloaded and wonder whether we really can cope with the pressure placed upon us. It is a state of worry caused by problems and mental tension in your life, work, etc. something that causes anxiety, strong feelings of worry, physical force or pressure.

The difference between a "stressor" and "stress" - a stressor is an agent or stimulus that causes stress. **Stress is the emotion we have when under pressure**, while stressors are the things we respond to in our environment. Examples of stressors are noises, unpleasant persons, a rapid moving car, or even going out on a first date.

### FACTORS THAT INFLUENCE STRESS EASINESS

#### Your intelligence of control

It's easier to take stress in our stride if we have confidence in our ability to influence events and persevere the challenges. This is why lack or tenacious money worries can be major stressors for so many of us. If you feel like things are out of our hands, we are less likely to have tolerance for stress.

#### Your attitude and outlook

Confident people are often more stress-hardy. They tend to cuddle the challenges, have a steady sense of humor, and accept change as an expected part of life.

#### Your knowledge and preparation

The more we know about a stressful situation, including how long it will be and what to expect, the easier it is to cope. For example, if we go into surgery with a realistic picture of what to expect post-op, a recovery will be less stressful than if you were expecting to bounce back instantaneously.

### CAUSES OF STRESS

Everyone come across stressful situations on an almost daily basis, from minor pressures that we hardly notice, to occasional traumatic situations which can cause ongoing stress. Many of us do not realize that some forms of

stress, known as eustress, can have a positive effect on our performance, and instead refer to those experiences which cause us negative distress as stressful.

Many different things can cause stress - from physical (such as panic of something unsafe) to emotional (such as worrying about your family or job.) Recognizing what may be causing the stress is often the first step in learning how to overcome with the stress. Some of the most sources of stress are:

### **Survival Stress**

Survival stress is a common stress to threat in everybody. When you are scared that something or someone may really hurt us, our body obviously responds with a rush of energy so that you will be better able to persists the dangerous situation or escape it all together. This is survival stress.

### **Internal stress**

Internal stress is when people make themselves worried. This mostly happens when we worry about things we cannot control or put ourselves in situations we know will cause us stress. Some people become hooked to the kind of tense, hurried, lifestyle that results from being under stress. They even look for stressful situations and feel stress about things that are very stressful.

### **Environmental Stress**

This stress comes due to the things around you, such as pressure, crowding, and noise from family or work. Identifying these environmental stresses and educates to avoid them or deal with them will help lower your stress level.

### **Fatigue and Overwork**

This kind of stress increases in long time and can take a hard issue for your body. It can be caused by working too hard or too much at your school, Job or home. It can also be caused due to lack of knowledge on how to manage your time well or how to take time out for relaxation and rest. This can be one of the toughest kinds of stress to avoid because many of them feel this is out of their hands.

## **GENERAL CAUSES**

### **a) Threat**

A superficial threat will lead a person to feel frazzled. This can include somatic threats, social threats, financial threat, and so on. In particular it will be worse when the person senses they have no response that can reduce the threat, as this upsets the need for a sense of control. Generally speaking, any threat to needs is likely to lead to stress being experienced.

### **b) Fear**

Threat can bring fear, which leads to stress. Fear frontrunners to unreal outcomes, which are the real basis of stress.

### **c) Uncertainty**

When we aren't certain, we are not able to predict, and hence sense we are not in control, and hence may sense the fear or feel endangered by that which causes uncertainty.

### **d) Cognitive dissonance**

When there is a break between what we think and what we do, then we are under cognitive dissonance, which is sensed as stress. Thus, if we think we are a nice person then do something that hurts someone else, we will feel dissonance and stress. Dissonance also happens when we cannot fulfill our commitments. We believe we are honest and dedicated, but when situations prevent us from fulfilling our promises we face the possibility of being perceived as dishonest or incapable (ie. a social intimidation).

## **LIFE CAUSES**

### **a) Health**

Aging, analysis of a new disease, and signs or impediments from a existing illness can upsurge your stress. Even if you do not have health problems for us, someone close by to us may be surviving with a sickness or disorder. That will increase our stress levels too. According to the American Psychological Association (APA), more than 50 percent of caregivers report feeling astounded by the extent of care their family needs.

### **b) Relationships**

Arguments with our parent, spouse or child can upsurge your stress levels. When we live together, it can be more stressful. Problems between members of our family or household can also causes us stress, even when you are not directly complicated.

**c) Personal beliefs**

Fights about religious, personal or political beliefs can experiment us, especially in situations where we cannot remove ourselves from the struggle. Main life events that cause you to raise our own beliefs can also cause stress. This is particularly right if your beliefs are different from those of the people close to us.

**d) Money**

Financial issue is a frequent cause of stress. Credit card loans, rent, or inability to provide your family or yourself can put a serious amount of stress on you. In this society, where so much importance is given on what you have and what you can afford, financial stress is something that nearly everyone can relate to. According to the APA, nearly three quarters of Americans say that finances is the source of stress in everybody's life.

**e) Life changes**

The sudden demise of a loved one, job change, moving to a new house, and sending a child off to college are few instances of big life changes that can be stressful. Even positive ups and downs, such as getting married or retirement, can cause a substantial amount of stress.

**STRESS AT WORK****Occupation**

Research has indicated that conflict and pressure in a job can be major causes of stress. According to the APA, Nearly 60 percent of Americans experience stress allied to their work.

**Discrimination**

Feeling victimized against can cause abiding stress. For example, you may experience discrimination on the basis of your society, race, gender, or sexual orientation. Some people face discrimination and the stress it causes nearly each day.

**Environment**

Perilous localities, crime-ridden cities, and other safety distresses may lead to chronic stress.

**Traumatic events**

People who have faced a traumatic event or dangerous circumstances often live with long-term stress. For example, you may experience long-term stress after surviving a rape, robbery, war, or natural disaster. In many instances, you may actually have post-traumatic stress disorder (PTSD).

PTSD is a chronic nervousness illness brought on by a traumatic event or series of traumatic events. According to the United States Department of Veterans Affairs' National Center for PTSD, the predictable lifetime incidence of PTSD among Americans is about 7%. The illness is more common in women, as well as veterans and toughies of abuse.

**STRESS IN BUS DRIVER'S PROFESSION**

Driving a Bus in the city is not an easy task. Visualize transporting thousands of people every day through narrow, hilly streets, facing uncountable difficulties under unavoidable pressure to keep to a strict schedule, knowing that the negligible accident can outcome in harm to a passenger and threaten our job. And imagine the same work of driving is done for 8 or more hours a day, 5 or more days a week. These and some other stressors which give us stress every day. Experience of the town transport drivers, who meet problems especially in their city,

Many studies have been accompanied on the work-related health of bus drivers. The employees are facing numerous issues with related to their health circumstances. The drivers are facing many problems like Back Disorders, gastrointestinal, musculoskeletal and cardiovascular disorders than other professions.

**MUSCULAR SKELETAL PROBLEMS**

The ratios of bus drivers who feel pain in the lumbar, cervical and thoracic regions of the spine are 66% and the percentage of drivers feel pain in the cervical regions are 34% percent individually. It is determined that the higher occurrence of spinal problems is affected due to the mechanical stresses related with accelerating to the right while loading and unloading passengers and to the left while driving.

Bus drivers also experience low back pain more often than the others. They are uncovered to whole body vibration which results in more LBP (low back pain) symptoms.

**PSYCHOLOGICAL PROBLEMS**

Psychological illnesses, also called as emotional disorders, are oddities of the mind results in causal behaviors that can rigorously affect the everyday function of life. Bus drivers are affected with many different **psychological** issues and they have been identified and classified, including eating issues, such as anorexia

nervosa; mood swings, such as personality disorders, depression, such as antisocial personality disorder and psychotic disorders such as schizophrenia.

### **STOMACH AND INTESTINAL PROBLEMS**

Over the short span of time, stress causes stomach ache, nausea and diarrhea. In the over term, due to continuous stress it can bring in chronic diseases such as heartburn and cantankerous bowel syndrome. Digestion is planned by the nervous system, a system made up of innumerable number of nerves that connect with the central nervous system and congestion of the digestive system which results in slowdown of blood flow and it affects the digestive muscles, and decreases exudations needed for digestion. Stress can cause sensitivity to the gastrointestinal system that leads to infection.

### **SLEEPING DISORDERS**

**Stress** or nervousness can cause a severe lack of sleep, and also brings in other problems. Insomnia is the medical name for people who have issue falling asleep, difficulty in staying asleep, waking too early in the morning, or waking up feeling un-refreshed. People who are under considerable stress can have insomnia. In the case of insomnia related to stress, relieving the stress should lessen the insomnia. Stress causes insomnia by making it difficult to fall asleep and to stay asleep, and by affecting the quality of your sleep. Stress causes hyper arousal, which can upset the balance between sleep and wakefulness.

### **OTHER STRESS INDICATORS AT WORK INCLUDE**

- ❖ Sickness absence
- ❖ High staff turnover
- ❖ Bullying
- ❖ Lack of feedback on performance
- ❖ Value and contribution
- ❖ Technological change
- ❖ Lack of clarity of roles and responsibilities
- ❖ Dissatisfaction with non-monetary benefits
- ❖ Working long hours
- ❖ One-off incidents
- ❖ Uncomfortable workplace
- ❖ Lack of training

### **REVIEW OF LITERATURE**

Kompier (2000) highlights that stress reduction is not merely a technical issue. It is based on a technical analysis and the proper recommendation. Stress signaling and stress prevention relate to changing and improving organizations and organizational processes. Stress process in bus companies and other enterprises aimed at stress prevention is participatory and stepwise, which involves top management, employees, trade unions, problem solving processes, problem analysis, and choice of measures.

Oginski and et al (2000) highlights through their study in Poland. The rate of bus accident is high during the morning shift which is possibly reflects stress and fatigue factors. Although the database comprised that only regular shift worker sustain during the morning shift which may influence their work safety by promoting additional work activities and perhaps some kind of co-operation with their co-workers. The injury rate was though similar in both the shift, but more risk prevailed in the night shifts of the bus drivers.

Hanzlíkova (2001) pointed out in his paper the nature of professional driver's stress and its possible causes in the speculative frame. The work of professional drivers is considered to be extremely stressful with factors involving fatigue and thus it has high possibility to accident. The author takes into the consideration that the context of driving for various groups of professional drivers like taxi drivers, bus and lorry drivers is quite different. Bus drivers should deserve consideration for fatigue-related accidents as they often drive a long distances in monotonous roads, and have to manage with their shift also. Other factor of fatigue can be driving at night, since the nighttime driving is different for driving in daytime: a driver requires greater concentration due to the visibility limitations. Lack of visibility may increase drowsiness and fatigue to the drivers.

Adrian H. Taylor and Lisa Dorn (2006) has made a study on road accident due to stress of drivers. They throws light on the ways to stress and psychological and physiological responses ;enhanced sleep and alertness, reduced fatigue, and improved cognitive functioning; and enhanced psychological and physical health status. In order to get beneficial effects, more research studies are needed on identifying the relationship between physical activity levels and stress, fatigue, sleep, health status among professional drivers, effects of chronic exercise on

driver performance in natural and controlled settings, the actual effects of exercise (in different doses, intensity, and duration, but particularly behaviours such as walking, which are convenient and likely to be adopted) on simulated driver's performance, particularly among drivers who report high stress, improper sleep and health status, effectiveness of driver work site interventions (to promote physical activity) to determine how best to promote physical activity to groups of professional drivers through multilevel interventions (at the organizational structure, work site environments, and individual levels).

### OBJECTIVES OF THE STUDY

1. To study about the causes of bus accidents due to stress on the work of bus drivers.
2. To provide valuable suggestions to overcome the stress of bus drivers.

### RESEARCH METHODOLOGY

To achieve the objectives, this study was commenced by a well framed questionnaire that was interestingly responded by the respondents. The respondents were carefully chosen with various background established on the important Stress factors causing of the bus drivers in Chennai.

The secondary data involved in the study was collected from the record of various publications and latest data of statistics which was collected from well-equipped libraries and the internet website sources. Also the secondary data was also linked from leading journal and various newspapers.

### HYPOTHESIS TESTING

**Null Hypothesis (H<sub>0</sub>):** There is no significant relationship between experience of the bus drivers and factors causing stress.

**Alternate Hypothesis (H<sub>1</sub>):** There is significant relationship between experience of the bus drivers and factors causing stress.

In order to test the significance level, the Chi-square test was used.

Chi-Square Test

	Value	df	Asymp.Sig (2 sided)
Pearson Chi Square	34.107	2	.000
Likelihood Ratio	35.043	2	.000
Linear-by-Linear Association	3.380	1	.063
N of valid cases	50		

We can able to see from the above table that chi-square value 34.107,  $p < 0.005$ . Therefore, there is statistically significant relationship between experience of the bus drivers and stress related factors that cause bus accidents. The stress related factors here we have taken for analysis are (i) Relationship between the conductor and the bus driver, (ii) Overtime of work (iii) Heavy traffic (iv) Family and Financial Commitment (v) Frequent changes in the time of work.

### SUGGESTIONS & RECOMMENDATIONS

1. Bus should have proper stoppages at certain intervals for certain limited time just for refreshing & re-energizing.
2. Bus drivers should take sufficient rest & sleeping hour should not be less than seven hours to reduce the stress & fatigue up to an inactive level.
3. Everyone must do proper exercise, slow breathing, diversification of thinking, improved nutrition, relaxation, stress resistant thinking, etc., because it help, not only to reduce our stress, but also reduce our risk of developing a number of severe health problems.
4. Man should utilize common man de-stressing techniques to get instant relief.

### CONCLUSION

In conclusion, it can be said that if any person enjoys the tools, techniques, and strategies of stress management to resist the stress then, definitely that person will achieve the benchmark of healthy personality because it provides the proper & easy coping strategy which leads to health excellence.

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## ANALYSIS OF THE SALE OF AMUL MILK PRODUCTS

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### ABSTRACT

*Amul in India is the name of a brand which is accepted by all Indians. It is a name of a respected product which is valued by all Indians. A survey was carried out in some places of Amul parlours in Ahmedabad city to collect data regarding the sale of products sold by them. Similar data was collected from some places of Amul parlours at Kalol city. Amul parlours sell different types of milk products, including different types of ice creams, bread, biscuits daily. But the type of products varies from parlour to parlour. In Ahmedabad city, Tea powder is sold at different Amul parlours, where as in Kalol city Sour cream and Lactose free milk are sold. These parlours are set up by Amul to sell their products. The products are sold at market value. A data for sale of Amul products was carried out with a view to know which type of products is consumed more. In both Ahmedabad and Kalol cities among milk brands, Gold brand is consumed more and sold more. In Ahmedabad city, data was collected from Isanpur, Maninagar and Ghodasar. In Kalol city, data was collected from Panchavati and nearby area. In Ahmedabad city, after Gold milk brand butter, cheese, buttermilk and ice creams are sold. In Kalol city, after Gold milk brand, Shreekhanda, Mithai and ice creams are sold. This survey enlightens about the demand of Amul brand and its products.*

*Key Words: Amul, Shreekhanda, Mithai*

### INTRODUCTION

AMUL was formed in 1946 and this brand name has been managed by Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF) which is jointly owned by 2.6 million milk producers in Gujarat. GCMMF is India's largest food products marketing organization. It is a state level apex body of milk cooperatives in Gujarat which aims to provide remunerative returns to the farmers and also serve the interest of consumer by providing quality products which are good value for money.

White Revolution of India was a historic success because AMUL business concept was part of it. Every day, AMUL collects 447,000 litres of milk from 2.12 million farmers (many illiterate), converts the milk into branded, packaged products, and delivers goods worth Rs 6 crore (Rs 60 million) to over 500,000 retail outlets across the country. Today, AMUL is a world player because of its high quality products, vast co-operative network, indigenous technology, marketing strategy & member farmer's belief. Amul has transformed the process for millions of small farmers by using an automatic, computerized collection system which reduces the time for weighing, quality testing and payment processing from a few hours with payment days later, to five minutes and immediate payment. Each day, milk is collected no more than 10 miles from the farmer, with this nationwide, decentralized, collection process. Amul developed a computerized quality testing machine, which makes the process transparent and fair to the farmer, and buys exclusively from women—a decision which has increased the status of the women, while developing a positive brand image for India's largest food products business<sup>1</sup>.

Quality is very important for any food industry. Quality implies maintenance of functional values of the product as well as improving the style of management by keeping customer in focus. The milk producers of the member unions have a commitment to achieve quality in basically six priority areas – Cleanliness of the dairy cooperative societies, Planning and Budgeting of the Dairy Society, Artificial Insemination Service, Quality Testing and Milk measurement at Dairy co-operative Societies and Management Practices and Self-leadership Development<sup>2</sup>.

### AIMS AND OBJECTIVES

1. To study the popularity of Amul brands.
2. To study the sale of Amul products by weekly basis.

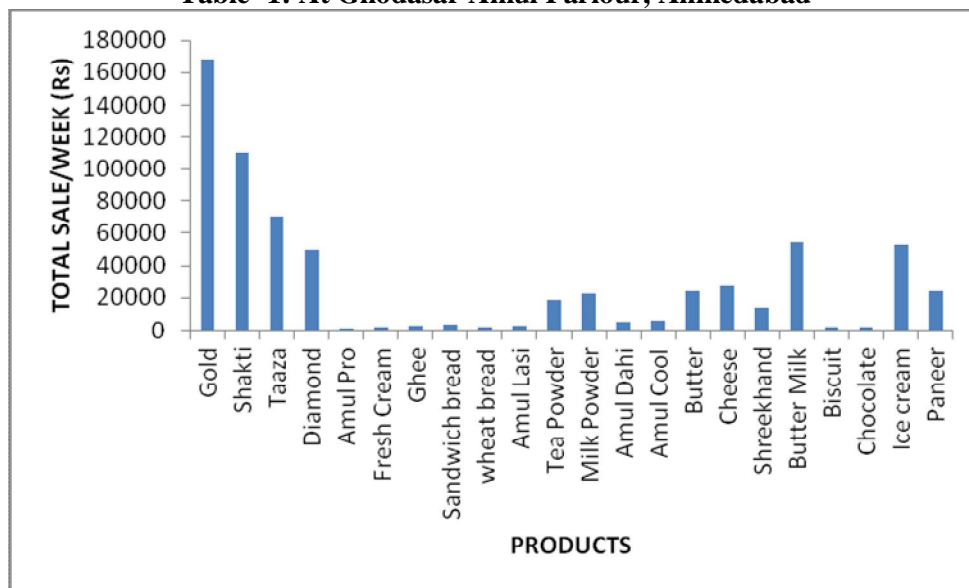
### METHODOLOGY

1. Selection of Amul parlours at Ahmedabad and Kalol cities.
2. Collection of primary data through interaction with Amul parlour vendors.

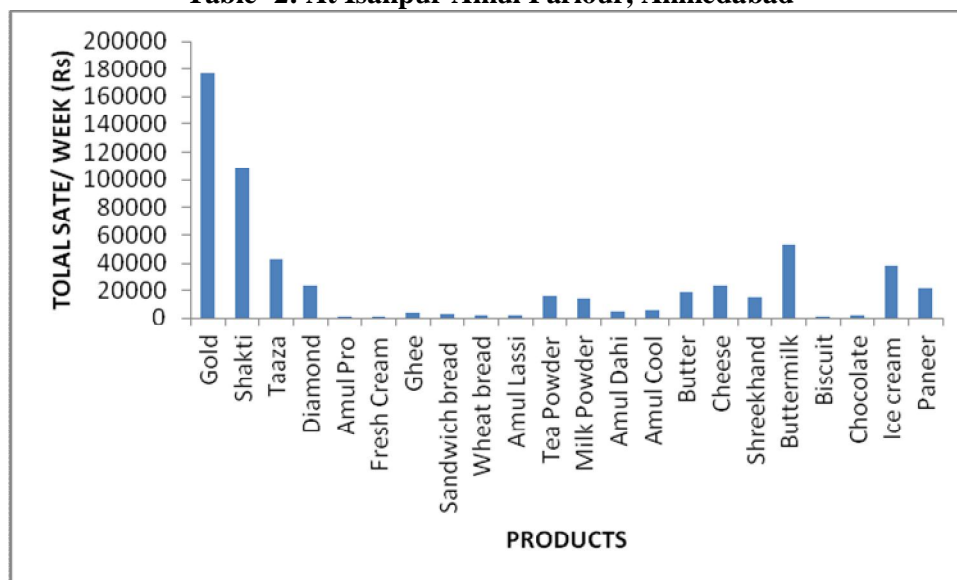


## OBSERVATIONS

**Table -1: At Ghodasar Amul Parlour, Ahmedabad**



**Table -2: At Isanpur Amul Parlour, Ahmedabad**



**Table -3: At Maninagar Amul Parlour, Ahmedabad**

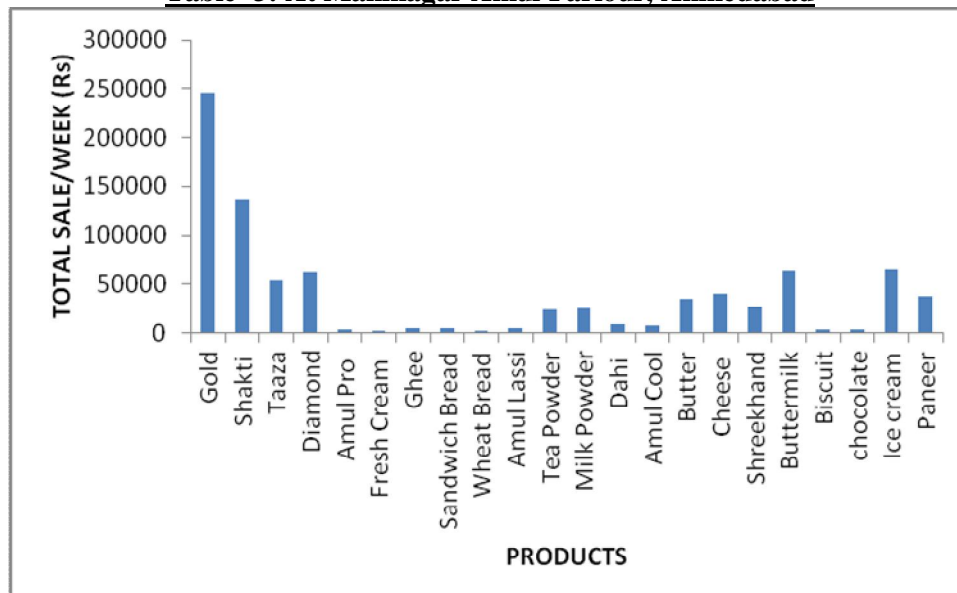


Table -4: At Panchavati Amul Parlour, Kalol

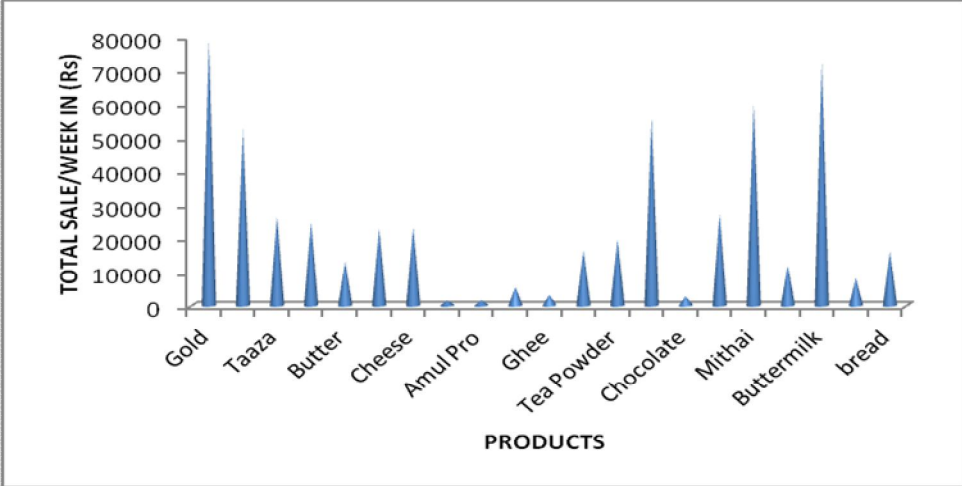


Table -5 – At Amul Parlour, Kalol

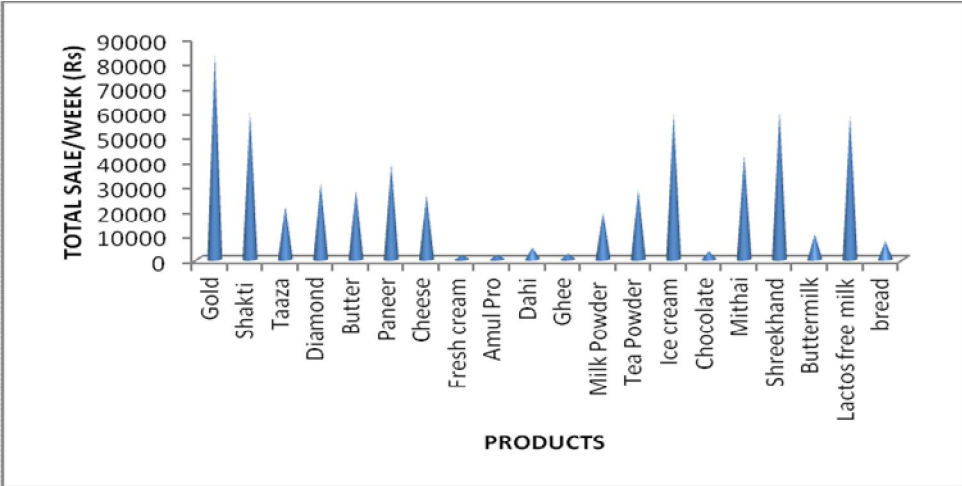


Photo-1:At Kalol



Photo-2 At Ahmedabad



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**DISCUSSION AND CONCLUSION**

The sale of Amul Gold milk brand is highest in Ahmedabad and Kalol cities. The sale of Amul Ghee, Biscuits are minimum on a weekly survey at both cities.

There are two major competitive advantages of Amul over other brands. First is their supply chain because of the large numbers of dairy suppliers, Amul has a tremendous strength and reliability in its supply chain, hence it is able to produce such high volumes. The second competitive advantage is the wide product range due to which it can run Amul shops and also have its products present in retail<sup>3</sup>.

The brand awareness plays a big role influencing the consumer's purchase decision. Best marketing & brand awareness activity in current scenario is "Advertisement". Satisfied customer also plays an important role in brand awareness as they recommend others to purchase and such referral brings new customers and promotes positive brand image whereas dissatisfied customers may lead negative brand image which hinders successful brand awareness activity<sup>4</sup>.

The phenomenal growth of milk production in India – from 20 million MT to 100 million MT in a span of just 40 years - has been made possible only because of the dairy cooperative movement. This has propelled India to emerge as the largest milk producing country in the World today<sup>5</sup>.

**ACKNOWLEDGEMENT**

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4. The title of the paper should be in capital letters, bold, size 16” and centered at the top of the first page. The author(s) and affiliations(s) should be centered, bold, size 14” and single-spaced, beginning from the second line below the title.

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