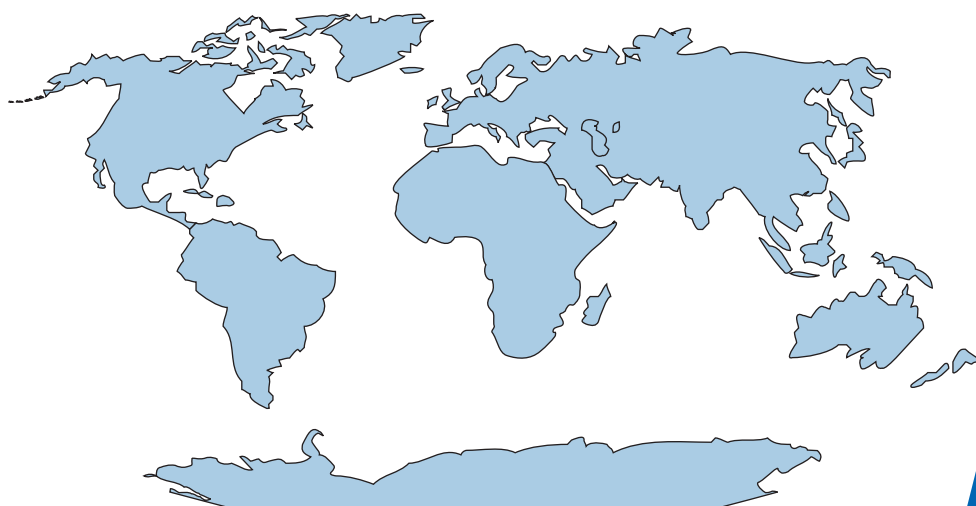


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A handwritten signature in black ink, appearing to read "Rote Wangata".

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Shantosree Dutta and Parag Shil

GRADUATES UNEMPLOYMENT AND THE THEORY OF COMMUNICATIVE ACTION

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ABSTRACT

Universities around the world are shifting from the original purpose to the production of employable graduates in the current era. Therefore, producing employable graduates has become one of the primary functions of Universities. Problems regarding unemployed and underemployed graduates in Asia are continued from the last three decades. The lack of coordination and cooperation among various stakeholders is the main reason for the plight of the unemployed graduates. The objective of this study is to analyse issues related to coordination and cooperation of stakeholders in the university system in respect of employability issues; Attention is paid to exploring the reasons for the issue via the lens of the theory of communicative action. This empirical study was undertaken as a qualitative embedded single case study strategy to investigate this phenomenon, and adopted in the critical constructive nature of research philosophy. Accordingly, based on the empirical evidence of the study, it is concluded that the bureaucratic system practiced in universities overrun the lifeworld of academics and other stakeholders. Instrumental action in the decision making process and asymmetrical power relations among stakeholders prevent free speech situation in the university set up, which has resulted in a lack of coordination and cooperation among stakeholders. The unique findings of the study add to the TCA on how a university accomplishes its goal in the absence of a mutual understanding or free speech situation among stakeholders.

Keywords: Communicative action, Coordination, Corporation, Lifeworld, Graduate unemployment

1. INTRODUCTION

Higher education has been recognized as a major component that contributes to society by improving the quality of human life (Tang et al., 2010). Knowledge production, institutional autonomy and academic freedom are vital features in the conventional universities, not only in Sri Lanka but also in the rest of the world (Rasmussen, 2007). The main purpose of the universities is to generate knowledge where research is the backbone of academics. Different academic fields of knowledge are developed through combined research work with industries and community (university-industry/business linkages) around the globe (Readings, 1999; Rasmussen, 2007). However, universities around the world have already shifted or are shifting from this original purpose to the production of employable graduates in the current era. Therefore, producing employable graduates has become one of the primary functions of Universities (Feller & Irwin, 1997; World Bank, 2012, Datar and Srikant, 2011). Consequently; universities have moved from pure knowledge centres to market centres i.e. producing employable graduates. With the rise of neoliberalism, the employability of graduates has become a more important goal of universities than ever before (Feller & Irwin, 1997). Thus, the inability of universities to produce employable graduates is considered a critical issue (De Silva, 2014).

This paradigm shift can be seen not only in all established universities in the developed world like Cambridge and Harvard, but also in Universities in developing countries like Sri Lanka and India (Datar and Srikant 2011). The average overall employability ratio of Universities in Sri Lanka is 54% (Nawaratne, 2012). The Faculties of Arts and Management have higher rates of unemployment in the country and accounted for 76% and 36% of unemployed graduates respectively, whereas Medicine and Engineering accounted for 10% and 7% respectively in 2012.

This study has sought to answer the research question as to why the universities in Sri Lanka continue to produce graduates who find it hard to obtain jobs in the employment market. Problems regarding unemployed and underemployed graduates in Sri Lanka are not a new phenomenon, which has been reported since the academic year 1959/60. According to Wickramasinghe (2010), graduate unemployment or underemployment is due to a mismatch between the aspirations of graduates and the employment opportunities available to them. Further, previous studies have indicated that a mismatch between supply and demand conditions for graduate employment is due to the supply driven education system, which produces graduates who are not suited to labour market conditions. (Ranasighe, 1992; Davison, 1993; Central Bank of Sri Lanka, 2003; Weligamage and Siengthai, 2003; Ariyawansa, 2008; Wickramarachchi, 2008).

2. LITERATURE REVIEW

In order to place the above issue in its current context in Sri Lanka, particularly because of the paucity of literature on the theme, a preliminary study was undertaken to explore why graduates are unemployed. The findings of this study revealed that the immediate causes for unemployable graduates are outdated curricula,

poor service quality of academics and lack of industrial linkages, factors that were revealed in the previous round of interviews as well. However, the new insight gained in the consequent interviews was the lack of coordination and cooperation among stakeholders. The views of both academics and employers reveal that universities ought to have strong coordination and cooperation with other stakeholders, including the private sector. This is further evidenced by the report of the World Economy Forum (2012/13), which states that the Sri Lankan University and Industry collaboration in Research and Development is ranked 40 out of 139 Countries. These discourses clearly show that a lack of coordination and cooperation among the stakeholders is the backdrop to contemporary issues pertaining to graduate unemployment. Therefore, the research problem of the study is reformulated as “Why do universities fail to build coordination and cooperation among their stakeholders resulting in low employability among their graduates?”

The lack of coordination and cooperation among the stakeholders of the universities in Sri Lanka is the research problem of the study. The above studies do not focus on the reasons for the lack of coordination and cooperation among diverse stakeholders. The knowledge gap pertaining to the study is that the above phenomenon has not been properly studied in higher educational institutions in the global context, except in the study conducted by Kest (1965). This study highlights the significance of coordination and cooperation between the university and industry and the business community. Even after half a century of interaction, the problem still exists. Therefore, the objective of the study is to analyze issues related to coordination and cooperation of stakeholders in the university system in respect of employability issues.

Habermas (1984) developed the Theory of Communicative Action (TCA) and its foundation lies on twin theories of resource of action theory and systems theory (Flynn, 2007). The main assumption of TCA is that people prefer to communicate with each other if they have equal opportunities to communicate and reach their goals through agreed mutual understanding, which Habermas calls an ‘ideal speech situation’. However, the theory further states that present society is bound up in bureaucracy, and because of the mediations by the bureaucracy, society has lost the ideal speech situation and, therefore, society cannot reach goals through mutual understanding. Instead, society uses power and money as steering mechanisms to reach coordination and cooperation towards achieving its goals.

3. METHODS AND METHODOLOGY

The philosophical foundation of this study is a critical social constructivist paradigm, since the contexts of the study are human related. A single embedded case study strategy, together with qualitative methodology, was adopted while taking a critical constructivist research philosophy. Twenty nine in-depth interviews, three focus group discussions and documentary reviews were used as data collection methods. Students, academics, academic administrators, non-academic administrators, alumni, unemployed graduates, industrialists, representatives from UGC and MoHE. The researcher has undertaken a qualitative approach which leans towards constructionists in analyzing the data as a critical interpretive framework. As a triangulation method, the interview, focus group discussions and documentary evidence were analysed.

4. FINDINGS OF STUDY

The coordination and cooperation are studied with the sub-themes derived from the TCA - forum for dialogue, level of trust between the main stakeholders, commitment towards achieving the common goals, and finally, recognition of mutual expectations of the parties. Put it differently, forum for dialogue, level of trust between the main stakeholders, commitment towards achieving the common goals, and finally, recognition of mutual expectations of the parties are taken as indicators of coordination and cooperation among stakeholders. The analysis shows that there is a lack of coordination and cooperation between the academics and the other stakeholders.

This study has found further that the academics do not work independently, they lose their academic values, and they perceive an absence of ownership and autonomy. Absence of this ownership and autonomy leads to less commitment and less engagement with academic programmes and the activities of the university. Therefore, the bureaucratic system controls freedom of the academic, ultimately influencing the lives and values of academics which contribute to graduate unemployment.

According to the discourse of the study, three major root causes for the lack of coordination and cooperation are explored. Firstly, the overrunning of the lifeworld of academics by the bureaucratic system, secondly, instrumental/strategic action of academic and administrative leaders, thirdly, asymmetric power relations among academics and academic leaders, have in combination influenced academics and have destroyed the space for communication or the ideal speech situation. In addition, Sri Lankan hierarchical and diffident culture, further impact on the ideal speech situation which prevents itself in the lifeworld of academics. These scenarios affect

mutual understanding among the stakeholders, which lead to lack of coordination and cooperation among the stakeholders. It creates a gap, particularly between major stakeholders of academic and industry, which results in low graduate employability among the graduates. Therefore, coordination and cooperation among the stakeholders directly influence graduates' employment, which is a new contribution in the present study.

Therefore, it is theorized that the common goal (employability of graduates) is not fully achieved due to a lack of coordination and cooperation, which is caused by the absence of free speech and loss of mutual understanding among the key university stakeholders. On the basis of the TCA and data gathered, a new theory is derived and added to the existing body of knowledge as the "Theory of graduate employability" which is advanced as "strong coordination and cooperation among the stakeholders of a university through an ideal speech situation that is likely to ensure the employability of its graduates".

Further, it shows, as it is theorised in the TCA, the pattern of implementing bureaucratic systems in universities has negatively influenced coordination and cooperation among the stakeholders due to a lack of mutual understanding. Furthermore, coordination and cooperation has become worse because of asymmetrical power. Accordingly, findings revealed that neither the bureaucratic system nor mutual understanding provides a conducive platform to realise coordination and cooperation in universities, thus it has failed to reach the goal of graduate employability. Power is a medium and mechanism in the bureaucratic system which assumes control of all activities of individuals of the universities. The bureaucratic system along with dominant academic administrators/academics who gain power through hierarchical organization, hierarchical society and or personal achievement, does not permit people to engage in open dialogue, paving the way for people to lose their mutual trust which leads to less commitment towards achieving the common goals.

5. SUMMARY AND CONCLUSION

The free speech situation does not assist strong coordination and cooperation among stakeholders due to cultural and systematic barriers in the university set up in Sri Lankan universities. If academic administrators work altruistically and implement good governance, the goals of university will be achieved. This would be a 'transformative practice, this transformative practice will help to develop a similar situation to free speech which is highlighted by Habermas (1984) in the TCA.

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LIQUIDITY AND SIGNALLING ASPECTS OF STOCK SPLIT: A STUDY WITH REFERENCE TO SELECT INDIAN COMPANIES

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ABSTRACT

This study is mainly motivated to verify the liquidity and the signalling aspects of stock split. In case of identifying the liquidity impact of stock split around the stock split announcement of the Large cap, mid cap and small cap companies, it is found that based on all the three measures that are daily volume of trade, turnover and the turnover ratio, most of the total stock splitting companies have shown insignificant negative change in their stock liquidity specially the mid cap companies. Even, in most of the cases the control companies have done better than the stock splitting companies except in case of small cap group. While considering the signalling concept, it is verified here that the favourable signals provided by the stock split regarding the better performance and bright future prospect of a stock splitting company is justified to what extent. For that purpose, the financial performance based on two measures viz. Return on Capital Employed (ROCE) and Earning Per Rupee Value of Share (EPRVS) and value addition made by the companies based on two measure viz. Market Value Added to Net Worth (MVANW) and Share holders Value Added to NET Worth (SVANW) are examined for the pre and post stock split period. It is found that before the stock split most of the stock splitting companies have ROCE less than their respective control companies except the mid cap companies. But after the stock split there is significant negative change in the ROCE of mid cap stock splitting have been noticed in the sustainable time frame. At the same time, the small cap stock splitting companies have improved their ROCE after the stock split but the improvement is not significant. EPRVS of most of the total stock splitting companies were good before the stock split and after the stock split there is significant positive change in the EPRVS of both the stock splitting companies as well as the control companies have been observed in the sustainable time frame. As far as the value addition of the companies around the stock split is concerned, most of the companies have positive MVANW and SVANW before the stock split but, very few companies are better than their control companies. But after the stock split the control companies have shown better further improvement in their value addition to the shareholders compared to the stock splitting companies. Thus the concept of better performance and bright future prospect of stock splitting companies as per the signalling hypothesis, is not applicable in this study.

Keywords: Stock Split; India; liquidity hypothesis; Signalling hypothesis; Financial performance; Value addition.

I. INTRODUCTION

Stock split represents a situation of dividing a corporate stock by the issue of specified number of more shares to the existing shareholders due to which there is corresponding decrement in the par value of each outstanding share. Stock split is called a cosmetic event as the market capitalisation or the total value of shares held remains the same after stock split. The management of a company generally takes the decision of stock split to make the share more affordable to small investors and to boost up the market liquidity of the stock. Greater liquidity may narrow the bid-ask spread and makes trading in stock easier. Liquidity provides high degree of flexibility so the investors can buy and sell shares without making much impact on the share price. This is called the liquidity aspect of stock split.

On the other hand, it is the common belief that stock split is generally announced by the exceptional performers and good performance is expected to continue in post split too. Stock split can signal to the potential investors regarding the undervaluation of a firm. Corporate executives use stock split as one of the most effective marketing tools of providing favourable signals of future prospects so the investors feels better with a sense of greater wealth. This is termed as the signalling aspect of stock split.

In this paper both the liquidity and the signalling aspects of stock splits are examined. Firstly, for liquidity hypothesis, it is verified that whether the liquidity of the stock splitting companies have been increased or not after the stock split and secondly, regarding signalling hypothesis, the financial performance of stock splitting companies and value creation by them are thoroughly analysed for the pre and post stock split in order to verify whether the favourable signals provided by stock split is true up to what extent.

Earlier, many researchers focused on investigating the liquidity and signalling aspects of stock split. Copeland (1979); Muscarella and Vetsupens(1996); Dennis(2003), Joshipura(2009); Lin, singh , and Yu(2009); Thirunellai(2014) etc. had put their emphasis to examine the optimal price range and liquidity aspect of stock

split around the stock split announcement or event date. Ikenberry, Rankine, and Stice(1996); Desai and Jain(1997); Arif, Khan, and Baker(2004); Yague, Sala, and Fuent(2009); Reinkaine(2010) etc. conducted their study with the purpose to examine the extent to which the stock splits are motivated by the signalling hypothesis.

The rest of the paper is organised as follows: section **II** consists of the review of some earlier literatures. Section **III** presents the details of objective, database and methodology used in this study. Section **IV** includes the empirical findings of the study and summarisation. And section **V** indicates the concluding remarks.

II. REVIEW OF LITERATURE

According to Fama, Fisher, Jensen and Roll(1969) market reacts to the new information implicit in stock split. They suggested that unusually high returns on splitting shares in the month immediately preceding a split reflects the market's anticipation of substantial increase in the dividend. After the split, the returns on split securities immediately resume their normal relationships to the market return.

Copeland (1979) presented evidence about the liquidity effect of stock splits. The study founds significant increase in brokerage-revenues and bid-ask spreads following the stock splits. Based on the above finding he derived the conclusion of permanent decrement in relative liquidity.

Lamoureux and Poon(1987) found a reduction in liquidity following a stock split due to increase in Bid-Ask spread and brokerage fee. As per Tax Option hypothesis, they observed a significant increase in the number of shareholders and the trading volume around the announcement of split. According to them market attaches positive value to the split because of its Tax Option impact.

Muscarella and Vetsupens(1996) used the international capital market to re-examine signalling-based versus liquidity –based explanations of stock splits. By analysing the splits of American Depositary Receipts (ADRs) which were issued by a US depository bank, he found positive liquidity effect and also pointed out that stock split, which is interpreted as a signal for future cash flows, could partly be a manifestation of same liquidity effects.

On the basis of detailed analysis of the long-run performance of common stock following stock split and reverse split announcements Desai and Jain(1997) found that the average abnormal return after the announcement of stock split increased subsequently and decreased subsequently after the announcement of reverse split. They also found that the abnormal returns were substantially larger for the firms initiating dividends with stock splits.

Tawatnuntachai and D'Mello(1999) suggested that stock split conveys favourable industry-wide information about earning improvement and industry characteristics. Firm-specific factors are significant determinants in explaining the stock price reactions.

Wulff(2002) argued that restrictions strongly limited the ability of German companies to use a stock split for signalling. He found a clear positive announcement as well as the ex-day effect was found in Germany but less pronounced than US. The paper showed that in Germany, the announcement effect of stock split was best explained by neglected firm effect.

By taking the sample of index tracking stock Dennis(2003) found that liquidity seemed to have improved for smaller trades. The post split lower share price of the index tracking stock seemed to help smaller investors who liked being able to trade in small lot sizes but the post split increased bid-ask spread hurt large traders who were not wealth constrained and whose primary trading cost is bid-ask spread.

Joshi(2009) presented his benchmark study in Indian context. He found positive liquidity effect but no significant price effect associated with stock splits though he found a significant positive abnormal return of 1.08% and 1.66% on announcement and effective day respectively. But it did not sustain and got reversed in less than a week time.

With respect to the signalling hypothesis, signals considered by the market are the unexpected component of the split factor and there is a statistically significant relation between abnormal returns around the split announcement and the surprise component of the split factor.[Yague,Sala and Fuent(2009)]

Aduda and Carolin (2010) found favourable reaction of stock split in the Kenyan market. They found significant increment in the share trading volume and the trading activity ratio. The study also showed very significant positive average abnormal return on the split date and on days around the split which was consistent with signalling hypothesis.

On examining the liquidity and trading range hypothesis based on Indian companies Thirunellai (2014) found significant positive excess stock price return over the market in the pre-stock split period but insignificant post split excess return over the market. The study also provided the evidence that the splitting firms tend to increase liquidity of their stocks over the short and long run.

WEAKNESSES OF THE EARLIER RESEARCHES

- i) Some of these studies did not control for the potential contamination of other information releases on the stock prices at the split announcement date.
- ii) Most of these studies did not undertaken the control sample methodology in order to specify whether there is any difference between the stock split announcing companies and the control companies.

III. OBJECTIVE OF THE STUDY

There are two basic objectives of this paper.

- i) To examine the impact of stock split announcement on liquidity of the stocks; and
- ii) To verify the concept of signalling hypothesis of stock split that is the signals conveyed by the stock split regarding good performance, growth and bright future prospects of a company, is justified up to what extent.

DATABASE AND METHODOLOGY

This study is fully based on Indian stock market. The present research study is based on the secondary data which is collected from the official website of the respective sample companies under the study as well as the “Capitaline – 2000 Database package” is used for collecting data. The sample under study consisted of 15 BSE(Bombay Stock Exchange) listed companies that had undergone for stock split over the period of 10 years from F.Y. 2002-03 to F.Y. 2011-12 and that did not performed any other financial event within the financial year of stock split. The study also includes same number of control companies of their respective stock splitting companies. Control companies of each stock splitting companies are selected on the basis of same industry and having approximately the same or next closest market capitalisation as on 31/3/2015. Thus the study consisted of 15 stock splitting companies and 15 control companies i.e. total 30 companies.

Now out of the total 15 stock splitting companies, 5 companies are grouped as large cap (having market cap as on 31/3/2015 greater than 1000 crore), another 5 companies are categorised as mid cap group (having market cap as on 31/3/2015 greater than 250 crore to 1000 crore) and remaining 5 companies are grouped as small cap group (having market cap as on 31/3/2015 greater than 100 crore to 250 crore).

METHODOLOGY

To measure the liquidity of stocks around the stock split, the liquidity indicators like daily volume of trade, day wise turnover and day wise turnover ratio are compared for 20 days before and 20 days after the stock split announcement. As volume of trade and turnover are in absolute value, a relative measure of liquidity should be used. So the turnover ratio (i.e. turnover/market capitalisation *100) is also considered as a liquidity measure in this study. Thereafter, the same measures are also computed for the respective control companies and compared for the same period in order to see the real impact of stock split on liquidity. To judge the statistical significancy of the findings, Paired T-test has been performed.

Now to fulfil the second objective, the financial health and the value addition made by the companies are required to measure for the pre and post stock split period. To measure the financial performance of the companies traditional tools like Return on Capital Employed(ROCE), and Earning Per Rupee Value of share(EPRVS) are computed and to measure the value addition made by the companies modern tools like Market Value Added to Net Worth(MVANW), and Shareholders Value Added to Net Worth(SVANW) are calculated. The three years period before the stock split is called period 1 and the three years period after the stock split is called period 2. To see the immediate change in the financial health and value addition of the companies, the above four measures are computed and compared for the last year of period 1 and first year of period 2. Whereas, to verify the sustainable change, the same are computed for all the three years of period 1 and period 2 and then the average value of the above measures for period 1 and average value of the same for period 2 are compared.

METHOD FOR CALCULATING ROCE

$$ROCE = \frac{\text{Profit before Interest but after Tax}}{\text{Amount of capital employed}} \times 100$$

METHOD FOR CALCULATING EARNING PER RUPEE VALUE OF SHARE (EPRVS)

$$\text{EPRVS} = \frac{\text{Earnings available to Equity shareholders}}{\text{Number of Equity shares outstanding} \times \text{Face value of share}}$$

METHOD FOR COMPUTING MARKET VALUE ADDED TO NET WORTH (MVANW)

Positive MVA (i.e. Market Value Added) indicates value creation for the share holders. In the case of stock split, the MVA should be calculated by using the following formula:

Closing market price of an equity share at time 't' multiplied by number of outstanding shares on that time minus closing market price of an equity share at time (t-1) multiplied by number of outstanding shares at time 't'.

In spite of taking the absolute value of MVA, relative value of MVA to Net Worth (i.e. MVANW) is considered in this study.

METHOD FOR COMPUTING SHAREHOLDERS VALUE ADDED TO NET WORTH (SVANW)

SVA actually indicates the total value added to the shareholders, both realized as well as unrealized. It represents the company's worth to shareholders.

$$\text{SVA} = \text{MVA}_t + \text{EDiv}_t$$

Where, MVA_t indicates the Market Value Added at time 't' and

EDiv_t indicates Equity Dividend at time 't'.

Here also, in spite of taking the absolute value of SVA, the relative value of SVA to Net Worth i.e. SVANW for all the sample companies are analysed.

Now in order to know whether the change (if any) in the above financial measures are statistically significant or not, here again the Paired T-test has been applied. Finally, a comparison between the stock splitting companies and the control companies has been done for better analysis.

IV. EMPIRICAL FINDINGS**VERIFICATION OF LIQUIDITY ASPECT OF STOCK SPLIT**

The overall summarisation of the results of paired T-test for the change in daily Volume of trade, Turnover, and Turnover Ratios of the large cap, mid cap and small cap stock splitting companies and their respective control companies from 20 days before to 20 days after the stock split announcement date is presented below in table:

1.

Announcement effect of stock split on liquidity											
Stock Splitting company						Control company					
Name	Based on turnover ratio		Based on volume		Name	Based on turnover ratio		Based on volume		Based on turnover	
	P-value	T-value	P-value	T-value		P-value	T-value	P-value	T-value	P-value	T-value
Large cap											
Tata Motors	0.002148	3.241391*	0.002025	3.267636*	Eicher Motors	0.347676	-0.397607	0.332405	-0.440129	0.346985	-0.399513
Ipsca Labs.	0.007116	-2.698602*	0.007021	-2.704814*	Natco Pharma	0.113845	-1.246613	0.11665	-1.23112	0.103325	-1.307483
Aban Offshore	0.109190	-1.272982	0.107434	-1.283159	Hind.Oil Explor.	0.000131	4.470686*	0.00013	4.47352*	0.000225	4.232777*
Ruchi Soya Inds.	0.084043	-1.433076	0.085469	-1.423039	Agro Tech Foods.	0.154788	-1.044024	0.162081	-1.012195	0.245959	-0.700806
Balrampur Chini	0.017884	-2.259856*	0.017918	-2.258931*	Bannari Amm.Sug.	0.021099	-2.178126*	0.020853	-2.183964*	0.019289	-2.222617*
Mid cap											
Parsvnath Devl.	0.202962	-0.849974	0.206682	-0.836332	Sobha	0.169285	-0.981729	0.171496	-0.972558	0.191978	-0.891225
Gulf Oil Corp.	0.036419	1.899135	0.038884	1.864559	Tide Water Oil	0.041723	1.827038	0.041168	1.834194	0.051427	1.713697
Genus Power	0.094504	-1.362389	0.095216	-1.35781	Centum Electron	0.058577	1.641445	0.085286	1.424316	0.091452	1.382338
West Coast Paper	0.119034	-1.218179	0.119088	-1.217887	JK Paper	0.016307	2.305032*	0.016387	2.302645*	0.02483	2.096473*
Alicon Cast.	0.070721	-1.534294	0.074226	-1.506235	Talbro's Auto.	0.41202	0.225445	0.419674	0.205527	0.397199	0.264297
Small cap											
Timex Group	0.000363	-4.02356*	0.000006	-5.837122*	KDDL Ltd	0.361587	0.359518	0.382368	0.303597	0.499976	0.000062
Lancor Holdings	0.011325	-2.480535*	0.022984	-2.13537*	Ansal Housing	0.199491	0.862848	0.19572	0.877001	0.416235	0.214465
Dalmia Bharat	0.011439	2.475771*	0.011092	2.490392*	DCM Shriram Inds	0.019142	-2.226392*	0.020125	-2.201607*	0.02151	-2.168522*
Umang Dairies	0.28299	0.584165	0.283845	0.581576	Amrit Corp	0.181524	-0.931963	0.177652	-0.947451	0.157909	-1.030275
Bhagyanagar Ind	0.49381	-0.015725	0.493063	-0.01762	Birla Ericsson	0.001765	-3.32872*	0.001676	-3.351683*	0.002085	-3.254665*

Table value of T at 5% level of significance with 19 degree of freedom is 2.09.

The interpretation of the above findings is described below separately for the large cap, mid cap, and small cap group:

Large Cap Group: From the table 1 it is observed that out of the five large cap stock splitting companies only one company i.e. Tata Motors has significantly improved liquidity after the stock split announcement based on all the three measurements whereas, its control company i.e. Eicher Motors has shown insignificant negative change in its stock liquidity. The other four stock splitting companies are having negative change in their stock liquidity. Out of them the negative change in liquidity of Ipca Labs., and Balrampur Chini are significant. Their respective control companies Natco Pharma has insignificant negative change and Bannari Amm.Sug. has significant negative change in their stock liquidity. Where Aban Offshore has insignificant deterioration in its liquidity, its control company i.e. Hind.Oil Explor. has shown much significant positive change in liquidity.

Mid Cap Group: On the other hand in case of Mid cap stock splitting companies all the five only one company i.e. Gulf Oil Corpn. has shown positive change whereas the other four companies has decrement in their stock liquidity but all the above changes in their stock liquidity are insignificant. But when control companies of this group are considered, only one control company i.e. Sobha has insignificant negative change in its stock liquidity and the other four control companies are having positive change in their stock liquidity event one control company i.e. JK Paper has shown significant positive change.

Small Cap Group: in case of the five small cap stock splitting companies, only two companies i.e. Dalmia Bharat and Umang Dairies have positive change in their stock liquidity out of them where i.e.Dalmia Bharat has significant improvement in stock liquidity, its control company i.e. DCM Shriram Inds has significant deterioration in its liquidity after the stock split announcement date. Out of the other three stock splitting companies two companies i.e Timex Group and Lancor Holdings have significant negative change while their respective control companies i.e. KDDL Ltd and Ansal Housing are having insignificant positive change in their stock liquidity. Where Bhagyanagar Ind. has insignificant negative change its control company has significant negative change in its stock liquidity.

Thus it can be said that out of the total 15 stock splitting companies only four (26.67%) companies has shown positive change in their stock liquidity where only one company from large cap and one company from mid cap i.e. two companies (13.33%) have significant positive change. Out of the other 11 stock splitting companies (i.e. 73.33%) with negative change in their stock liquidity after the stock split announcement two companies from large cap and two companies from small cap i.e. four companies have significant negative change. On the other hand out of the total 15 control companies, 7 companies (i.e. 46.67%) have positive change in their stock liquidity and among them, one from large cap and one from mid cap control companies i.e. only 2 companies (13.33%) have shown significant positive change. Out of the remaining 8 control companies (i.e.53.33%) with negative change in their stock liquidity, one from large cap and two from small cap group i.e. total have significant negative change. Though, the mid cap stock splitting companies have insignificant change in their stock liquidity after the stock split announcement, their control companies have performed better as far as their stock liquidity is concerned. At the same time the performance of small cap companies are better than their control companies considering their stock liquidity after the stock split announcement.

VERIFICATION OF SIGNALLING ASPECT OF STOCK SPLIT

In order to verify the substratum of the signalling aspect of stock split the financial performance and the value addition made by the sample companies for the pre and post stock split years have been analysed properly.

Analysis of ROCE

The result of the analysis of ROCE of the stock splitting companies and their control companies is presented in table - 2. A (i) and the interpretation of the findings is described here below:

Large Cap: ROCE of all the five stock splitting companies of this group were less than that of the control companies in the year immediately before the stock split but, the sustainable ROCE before the stock split of three stock splitting companies that are Ipca Labs., Aban Offshore, and Balrampur Chini were more than that of their respective control companies. After the stock split Tata Motors, and Ruchi Soya Inds. have shown negative immediate and sustainable change in their ROCE where, the other three stock splitting companies have shown improvement in their ROCE and among them Aban Offshore has shown sustainable negative change in its ROCE. on the other hand ROCE of two companies that are Eicher Motors and Bannari Amm.Sug. out of the five control companies have become positive after the stock split of their respective stock splitting companies both in the immediate and sustainable time frame.

Mid Cap: In case of mid cap stock splitting companies, the immediate and sustainable ROCE of three out of five stock splitting companies that are Gulf Oil Corpn., West Coast Paper, and Alicon Cast. are better than their

control companies preceding the stock split. Out of five, only one stock splitting company i.e. Parsvnath Devl. has shown positive immediate change in its ROCE but in the sustainable time frame all the five stock splitting companies have negative change in their ROCE. As far as their control companies are concerned, ROCE of only two companies that are Centum Electron, and Talbros Auto. become decreased after the stock split both in the immediate and sustainable time frame. Thus it can be said that the changes in the performance of mid cap control companies are better than that of stock splitting companies of this group after the stock split.

Small Cap: In the small cap group, only one stock splitting company i.e. Bhagyanagar Ind has more immediate and sustainable ROCE than its control company Birla Ericsson before the stock split but after the stock split all the five small cap stock splitting companies have shown much more improvement in their ROCE both in the immediate and sustainable time frame compared to their control companies. Thus the favourable signals provided by stock split regarding the bright future prospect is mostly applicable to small cap stock splitting companies as if, they showed lower ROCE before stock split but after the stock split their performance have been much better than their control companies.

In total it can be observed that out of the total 15 stock splitting companies, only 4 companies (i.e. 26.67%) have more ROCE in the year immediately preceding the stock split and only 6 companies (i.e. 40%) have more sustainable ROCE before the stock split than their respective control companies. Thus “stock split is performed by the out performers” is not applied in most of the cases. Now after the stock split only 9 stock splitting companies (i.e. 60%) and only 7 stock splitting companies (i.e. 46.67%) have positive changes in their ROCE based on immediate and sustainable time frame respectively. On the other hand, out of the total 15 control companies, 8 companies (i.e. 53.33%) in both immediate and sustainable time frame have shown positive change in their ROCE.

Table: 2. A (i)

ROCE OF STOCK SPLITTING COMPANIES					ROCE OF CONTROL COMPANIES				
Name of Companies	Immediate timeframe		Sustainable timeframe	Difference	Name of Companies	Immediate timeframe		Sustainable timeframe	Difference
	Last year of period I	First year of period II				Last year of period I	First year of period II		
Tata Motors	9.1292	5.3678	7.7486	-8.3880	Eicher Motors	13.2893	19.0064	10.9960	30.6915
Ipsca Labs.	12.4689	18.6265	6.1577	0.8829	Natco Pharma	14.1734	12.3132	13.7477	12.2264
Aban Offshore	7.8526	8.2926	0.4400	-2.4448	Hind.Oil Explor.	15.6705	-3.8105	11.0675	1.4342
Ruchi Soya Inds.	10.4160	9.5160	-0.9000	-0.9344	Agro Tech Foods.	17.2695	16.9877	16.3747	15.1101
Balrampur Chini	7.7671	18.5586	10.7914	1.4829	Bannari Amm.Sug.	10.3685	18.3461	9.3369	13.6613
Mid cap									
Parsvnath Devl.	5.1324	5.7636	0.6312	-2.9263	Sobha	5.8881	9.8191	3.9310	7.8218
Gulf Oil Corpn.	13.4520	5.4440	-8.0079	-3.7636	Tide Water Oil	4.5542	15.8759	11.3217	5.0771
Genus Power	15.9036	13.7500	-2.1535	-2.0434	Centum Electron	40.9674	4.6104	-36.3570	4.5194
West Coast Paper	17.9115	5.5696	-12.3419	-6.7327	JK Paper	7.9011	9.5309	1.6299	12.2428
Alicon Cast.	12.8221	8.4485	-4.3735	-4.2441	Talbro's Auto.	10.2105	8.0249	-2.1856	13.8868
Small cap									
Timex Group	-28.6007	6.7627	35.3634	42.5100	KDDL Ltd	10.7321	11.1085	0.3764	10.0813
Lancor Holdings	1.3658	29.0870	27.7213	18.5346	Ansul Housing	13.1914	7.9302	-5.2612	13.2080
Dalmia Bharat	6.0841	10.8593	4.7752	5.0275	DCM Shriram Inds	11.4260	4.8099	-6.6161	13.2654
Umang Dairies	-43.3145	45.1372	88.4517	73.7536	Amrit Corp	9.9974	33.5717	23.5743	16.3642
Bhagyanagar Ind	8.7096	17.9777	9.2681	10.3483	Birla Ericsson	-8.2670	0.7243	-0.6524	1.0815

To see whether the above changes in ROCE are statistically significant or not Paired T- test has been applied here. The summary of the results of paired T-test has been presented in Table: 2. A (ii).

Table: 2. A (ii)

Paired T test of ROCE				
	Stock splitting companies		Control Companies	
	Immediate Change	Sustainable Change	Immediate Change	Sustainable Change
Large cap				
p-value	0.193009781	0.173736407	0.379604847	0.329656261
T- value	0.97216179	-1.063559111	-0.328217488	0.475379063
DF	4	4	4	4
Mid Cap				
p-value	0.040801408	0.003807108	0.314721105	0.395470422
T- value	-2.314779916	-4.976873829	-0.521686793	-0.283389108
DF	4	4	4	4
Small Cap				
p-value	0.045528857	0.038411846	0.245593477	0.477040276
T- value	2.215590974	2.369967062	0.757009325	0.06127381
DF	4	4	4	4
Total				
p-value	0.070039737	0.090709384	0.437663158	0.486720674
T- value	1.564235908	1.40638001	-0.15979345	0.033892511
DF	14	14	14	14

Table Value Of T at 4 degree of freedom is 2.776

Table Value Of T at 14 degree of freedom is 2.14

From the above table it is very clear that none of the immediate and sustainable changes are statistically significant except the sustainable change in ROCE of the stock splitting companies of Mid cap group. Mid cap stock splitting companies have shown very much significant deterioration of their ROCE in the sustainable time frame after the stock split.

ANALYSIS OF EPRVS

Results of the analysis of EVPRS of the stock splitting and their control companies under study for the pre and post stock split year is presented in table – 2. B(i) and the interpretation of the findings has been described here below:

Large Cap: Out of the five large cap stock splitting companies only three companies that are Ipca Labs., Aban Offshore, and Ruchi Soya Inds. had ROCE more than their respective control companies in the year immediately before the stock split and the sustainable ROCE of Tata Motors also was more than its stock splitting company i.e. Eicher Motors. Thereafter, the change in EPRVS after the stock split become positive for again three companies that are Ipca Labs., Aban Offshore, and Balrampur Chini at the immediate time frame whereas, in the sustainable time frame except Tata Motors all the five stock splitting companies have shown improvement in their EPRVS. On the other hand, out of the five large cap control companies, except Hind.Oil Explor. all the four control companies have increment in their EPRVS both in the immediate and sustainable time frame.

Mid Cap: In case of stock splitting companies out of five only three companies that are Genus Power, West Coast Paper, and Alicon Cast. have more EPRVS than their respective control company in the year immediately before the stock split and also in the period 1 after the stock split the immediate change in the EPRVS was positive only for two companies that are Gulf Oil Corpn. And West Coast Paper but in the sustainable time frame two more stock splitting companies that are Genus Power and Alicon Cast. i.e. four companies out of five have shown increment in their EPRVS. Where, in case of the five control companies of this group, three companies that are Sobha, Tide Water Oil, and Talbros Auto. and thereafter only two companies that are Tide Water Oil

and JK Paper have shown improvement in their EPRVS in the immediate and sustainable time frame respectively. Thus, based on EPRVS, mid cap stock splitting companies are better than their control companies.

Small Cap: In case of small cap stock splitting companies only two companies that are Dalmia Bharat and Bhagyanagar Ind have EPRVS more than their respective control companies both in the year immediately before the stock split and in the period 1. Thereafter, the EPRVS of all the five stock splitting companies have been improved both in the immediate and sustainable time frame where, only three out of five control companies and only two out of the five control companies have positive change in their EPRVS in the immediate and sustainable time frame respectively. Therefore, the growth in EPRVS of the stock splitting companies after the stock split is much better than the control companies.

In total, it can be said that out of the total 15 stock splitting companies, 8 companies i.e. 53.33% in the immediate previous year and 9 companies i.e. 60% in the period 1 have more EPRVS than their control companies. After the stock split, out of the fifteen stock splitting companies, 10 companies i.e. 66.67% (i.e. 3 from large cap, 2 from mid cap and 5 from small cap group) have shown positive immediate change and thereafter in the sustainable time frame 13 i.e. 86.67% out of 15 companies have shown improvement in their EPRVS. Where out of 15 control companies, 10 companies i.e. 66.67% (i.e. 4 from large cap, 3 from mid cap, and 3 from small cap.) have positive change in their EPRVS in the immediate time frame and only 8 companies i.e. 53.33% (4 from large cap, 2 from mid cap, and 2 from small cap.) have sustainable improvement in their EPRVS. Thus it is clear that after the stock split most of the stock splitting companies specially the small cap companies have performed better than the control companies as far as their EPRVS have been concerned.

Table showing Analysis of EPRVS of the sample companies for the pre and post stock split

EPRVS OF STOCK SPLITTING COMPANIES						EPRVS OF CONTROL COMPANIES							
Name of Companies	Immediate impact		Difference	Sustainable Impact		Difference	Name of Companies	Immediate impact		Sustainable Impact			
	Last year of period I	First year of period II		Average of period I	Average of period II			Last year of period I	First year of period II	Average of period I	Average of period II		
Tata Motors	2.525	0.345	-2.18	2.680	0.238	-2.442	Eicher Motors	2.785	5.282	2.497	11.752	9.279	
Ipca Labs.	3.465	9.895	6.43	4.575	11.188	6.613	Natco Pharma	0.301	0.364	0.063	0.267	0.146	
Aban Offshore	6.88	11.09	4.21	4.790	19.212	14.422	Hind.Oil Explor.	0.557	0.031	-0.526	0.345	-0.142	
Ruchi Soya Inds.	2.66	2.365	-0.295	2.432	2.917	0.485	Agro Tech Foods.	0.66	0.839	0.179	0.282	1.040	0.758
Balrampur Chini	1.46	5.17	3.71	2.070	4.223	2.153	Bannari Amm.Sug.	3.427	7.971	4.544	2.324	6.879	4.556
Mid cap													
Parsvnath Devl.	0.674	0.118	-0.556	1.870	0.188	-1.682	Sobha	1.351	1.967	0.616	1.953	1.947	-0.007
Gulf Oil Corpn.	1.245	1.485	0.24	1.207	2.138	0.932	Tide Water Oil	2.526	7.79	5.264	2.238	14.127	11.889
Genus Power	2.48	0.84	-1.64	1.523	2.193	0.670	Centum Electron	0.857	0.034	-0.823	0.797	0.097	-0.700
West Coast Paper	7.18	7.315	0.135	4.590	5.833	1.243	JK Paper	0.525	0.438	-0.087	0.503	0.932	0.429
Alicon Cast.	1.49	1.132	-0.358	1.027	1.179	0.152	Talbros Auto.	0.498	0.542	0.044	0.545	0.339	-0.207
Small cap													
Timex Group	0	0.07	0.07	0.000	0.143	0.143	KDDL Ltd	0.251	0.423	0.172	0.175	0.410	0.235
Lancor Holdings	0	3.835	3.835	0.073	3.130	3.057	Ansal Housing	0.838	0.3	-0.538	0.486	0.414	-0.072
Dalmia Bharat	3.965	26.53	22.565	3.252	19.067	15.815	DCM Shriram Inds	1.809	0.104	-1.705	0.693	0.575	-0.119
Umang Dairies	0	0.3	0.3	0.000	0.883	0.883	Amrit Corp	0.832	5.751	4.919	1.160	12.520	11.360
Bhaagyanagar Ind	0.74	1.73	0.99	0.533	2.950	2.417	Rirla Ericsson	0	0.074	0.074	0.082	0.035	-0.047

In order to verify the statistical significance of the above findings Paired T-test has been used and the result of the test is presented in table: 2. B(ii).

Table: 2 B(ii) : Table showing the summarised result of Paired T- test for the changes in EPRVS

Paired T test of EPRVS				
	Stock Splitting Companies		Control Companies	
	Immediate Change	Sustainable Change	Immediate Change	Sustainable Change
Large cap				
p-value	0.102764	0.110813	0.11405	0.090155
T- value	1.510116	1.446316	1.421966	1.621117
DF	4	4	4	4
Mid Cap				
p-value	0.131974	0.319223	0.204754	0.198663
T- value	-1.29841	0.507595	0.920272	0.94686
DF	4	4	4	4
Small Cap				
p-value	0.13339	0.098412	0.316747	0.187101
T- value	1.289355	1.546771	0.51533	0.999299
DF	4	4	4	4
total				
p-value	0.066099	0.024009	0.05478	0.025434
T- value	1.598729	2.166492	1.70876	2.135533
DF	14	14	14	14

Table Value of T at 4 degree of freedom is 2.776

Table Value of T at 14 degree of freedom is 2.14

From the above table it is clear that none of the change in EPRVS of the sample companies are significant when Large cap, Mid cap, and small cap sample companies are separately analysed but when T –test has been applied for testing the changes in the EPRVS of the total 15 stock splitting companies and total 15 control companies the result is different. In this case statistically significant positive change in the EPRVS of both the stock splitting companies and the control companies for the sustainable time period have been observed. Thus the performance of the stock splitting companies and the control companies did not differ as far as their EPRVS have been concerned.

ANALYSIS OF MVANW

Results of the analysis of MVANW of the stock splitting companies and their respective control companies for the immediate and sustainable time frame is presented in table: 2. C(i) and the interpretation of the findings is briefly described below:

Large Cap: Out of the five large cap stock splitting companies three companies that are Tata Motors, Aban Offshore, and Balrampur Chini have positive MVANW in the immediately preceding year of the stock split and out of them except Tata Motors the other two companies only have positive MVANW even more than that of their control companies. Where, in period 1 i.e. the sustainable MVANW of all the five stock splitting companies have been positive but only three companies out of them that are Ipca Labs., Aban Offshore, and Balrampur Chini have positive sustainable MVANW before the stock split more than that of their respective control companies. But after the stock split there were decrement in the MVANW of Tata Motors, Ruchi Soya Inds., and Balrampur Chini in the immediate time frame and thereafter in the sustainable time frame, Tata Motors again have the good increment in its MVANW but still less than its control company Eicher Motors and the sustainable change in MVANW of three companies that are Aban Offshore, Ruchi Soya Inds., and Balrampur Chini become negative after the stock split. whereas, the immediate change in the MVANW of the four out of five control companies sustainable change in MVANW of three out of five control companies have been positive after the stock split. Thus the large cap control companies outperformed the large cap stock splitting companies when their value additions have been concerned.

Mid Cap: Out of five stock splitting companies only three companies have positive MVANW and among them only two companies Parsvnath Devl., and Alicon Cast. have added value more than their control companies in the year immediately preceding the stock split. in period 1 i.e. sustainable MVANW before stock split of three companies Gulf Oil Corpn., West Coast Paper, and Alicon Cast. have been positive and even more than their respective control companies. Thereafter, except Gulf Oil Corpn., all the four mid cap stock splitting companies have shown negative change in their MVANW in the immediate time frame and three companies that are Gulf Oil Corpn., West Coast Paper, and Alicon Cast. have negative change in their MVANW in the sustainable time frame. Whereas, in respect of control companies of this group, three companies have positive immediate change in their MVANW and after that except Talbros Auto. all the four control companies have positive sustainable change in their MVANW. Thus the mid cap control companies also have performed better than the stock splitting companies of this group when considering their value addition made by them.

Small Cap: Out of the five stock splitting companies of small cap group, except Timex Group all the four stock splitting companies have positive MVANW but only two companies that are Lancor Holdings and Umang Dairies have created value event more than their respective control companies in the year immediately preceding the stock split and in period 1 three companies have positive MVANW and among them only Lancor Holdings have MVANW even more than its control company Ansal Housing. After the stock split except Lancor Holdings all the four stock splitting companies have positive immediate change in their MVANW whereas, in the sustainable time frame, only three companies that are Timex Group, Umang Dairies and Bhagyanagar Ind have positive change in their MVANW. In case of small cap control companies, three out of five that are KDDL Ltd, Amrit Corp, and Birla Ericsson have positive change in their MVANW both in the immediate and sustainable time frame.

In total 10 companies i.e. 66.67% (3 from large cap, 3 from mid cap, and 4 from small cap) out of 15 stock splitting companies have positive MVANW in the immediately preceding year and 11 companies i.e. 73.33% (5 from large cap, 3 from mid cap, and 3 from small cap) have positive MVA in period 1 but, only 6 companies i.e. 40% (2 from all the three groups) in the immediately preceding year and 7 companies i.e. 46.67% (3 from large cap, 3 from mid cap, and 1 from small cap) in the period 1 have been better than their respective control companies. Thereafter, out of 15 stock splitting companies only 7 companies i.e. 46.67% (2 from large cap, 1 from mid cap, and 4 from small cap) have positive immediate change and again 7 companies 46.67% (2 from large cap, 2 from mid cap, and 3 from small cap) have positive sustainable change in their MVANW. On the other hand, out of the 15 control companies, only 8 companies i.e. 53.33% (3 from large cap, 2 from mid cap, and 3 from small cap) in the immediately preceding year and 9 companies i.e. 60% (4 from large cap, 2 from mid cap, and 3 from small cap) have positive MVANW in the period 1. After that, 10 companies i.e. 66.67% (4 from large cap, 3 from mid cap, and 3 from small cap) have positive immediate change and again 10 companies i.e. 66.67% (3 from large cap, 4 from mid cap, and 3 from small cap) have positive sustainable change in their MVANW. Thus it can be said that earlier i.e. before the stock split most of the stock splitting companies have positive MVANW but after the stock split in total the performance of control companies have been better as far as their value addition is concerned.

Now in order to test whether the above findings are statistically significant or not, Paired T-test has been performed. The summarised result of the paired T-test is presented in table 2. C (ii). From the result of the paired T-test it is clear that none of the changes in MVANW of the stock splitting companies and the Control companies for the immediate and sustainable time frame are statistically significant.

Table: 2. C(ii) Table Showing analysis of MVANW of the sample companies for the immediate and sustainable time frame

MVANW OF STOCK SPLITTING COMPANIES							MVANW OF CONTROL COMPANIES						
Name of Companies	Immediate impact		Difference	Sustainable Impact		Difference	Name of Companies	Immediate impact		Difference	Sustainable Impact		Difference
	Last year of period I	First year of period II		Average of period I	Average of period II			Last year of period I	First year of period II		Average of period I	Average of period II	
Large Cap													
Tata Motors	147.672	-12.621	-160.292	62.519	174.525	112.006	Eicher Motors	330.094	605.778	275.685	169.239	1164.907	995.668
Ipca Labs.	-109.048	33.637	142.686	7.391	76.496	69.105	Natco Pharma	-8.002	22.451	30.454	-6.721	13.366	20.087
Aban Offshore	461.734	495.220	33.487	219.700	33.558	-186.142	Hind.Oil Explor.	149.203	-138.659	-287.862	54.175	-48.854	-103.029
Ruchi Soya Inds.	-17.414	-101.706	-84.292	40.878	3.376	-37.502	Agro Tech Foods.	-152.164	-46.842	105.322	51.011	123.914	72.904
Balrampur Chini	132.451	27.052	-105.399	51.538	-7.436	-58.975	Bannari Amm.Sug.	107.607	286.146	178.538	40.631	34.684	-5.947
Mid cap													
Parsvnath Devl.	66.474	17.092	-49.382	-44.048	-11.614	32.434	Sobha	-3.559	1.887	5.446	-2.145	-0.488	1.657
Gulf Oil Corpn.	-125.189	-102.241	22.948	217.870	-1.442	-219.312	Tide Water Oil	7.212	-2.842	-10.054	3.582	8.403	4.821
Genus Power West Coast Paper	39.731	-27.994	-67.725	-13.613	-10.998	2.616	Centum Electron	72.722	-70.273	-142.995	-124.072	30.168	154.240
Alicon Cast.	-6.758	-32.964	-26.206	26.873	3.342	-23.531	JK Paper	-39.612	-37.445	2.167	-9.474	9.021	18.495
	222.788	-83.294	-306.082	235.409	15.984	-219.425	Talbro's Auto.	-30.300	-5.632	24.668	97.144	2.058	-95.086
Small cap													
Timex Group	-4.732	128.894	133.626	-0.402	76.773	77.175	KDDL Ltd	2.837	53.616	50.779	-1.710	30.600	32.310
Lancor Holdings	74.493	-75.648	-150.141	101.942	-9.793	-111.735	Ansal Housing	-21.928	-32.281	-10.353	48.958	-9.124	-58.082
Dalmia Bharat	20.293	55.204	34.911	17.032	-42.112	-59.145	DCM Shriram Inds	42.075	-105.411	-147.486	19.395	-35.706	-55.101
Umang Dairies	48.451	631.247	582.796	3.804	352.940	349.136	Amrit Corp	-37.130	22.479	59.609	6.085	10.477	4.391
Bhagyanagar Ind	1.240	3.855	2.616	-5.096	38.496	43.592	Birla Ericsson	16.541	17.361	0.820	-18.154	-12.319	5.835

Table: 2. C(ii) : Table showing summarised result of the paired T-Test for the changes in MVANW

Paired T test of MVANW				
	Stock Splitting Companies		Control Companies	
	Immediate Change	Sustainable Change	Immediate Change	Sustainable Change
Large cap				
p-value	0.279039152	0.358935461	0.281701011	0.193449919
T- value	-0.638152149	-0.387867106	0.629136283	0.970169194
DF	4	4	4	4
Mid Cap				
p-value	0.105267497	0.098889387	0.234509693	0.347339105
T- value	-1.489748354	-1.54266686	-0.7990492	0.422059878
DF	4	4	4	4
Small Cap				
p-value	0.192922051	0.24802287	0.407001544	0.238636373
T- value	0.972559428	0.747989104	-0.25124617	-0.783221802
DF	4	4	4	4
total				
p-value	0.498185167	0.34499191	0.399340032	0.174756859
T- value	0.004631024	-0.407248762	0.259958242	0.96791058
DF	14	14	14	14

Table Value Of T at 4 degree of freedom is 2.776

Table Value Of T at 14 degree of freedom is 2.14

ANALYSIS OF SVANW

SVANW represents the total value addition for the shareholders. It is computed by adding the amount of equity dividend for a particular time period with the amount of Market Value Added of that period as a percentage of net worth. So the findings of the analysis of SVANW is similar to the findings of analysing the MVANW. The results of the analysis of SVANW is presented in table: 2. D(i) and the interpretation of the findings is briefly described below:

Large Cap: Out of the five large cap stock splitting companies, three companies Tata Motors, Aban Offshore, and Balrampur Chini have the positive SVANW and out of them except Tata Motors the other two have SVANW more than that of their respective control companies in the immediately preceding year of stock split. In period 1 all the five stock splitting companies have positive SVANW where, Ipca Labs. with the above two companies have the positive SVANW even more than their control companies. After the stock split, only two companies Ipca Labs., and Aban Offshore have improvement in their SVANW in the immediate time frame but in the sustainable time frame again only two companies Tata Motors, Ipca Labs. have created much value to the shareholders. In case of large cap control companies out of five, except Hind.Oil Explor. all the four companies have positive immediate change and thereafter only three companies Eicher Motors, Natco Pharma and Agro Tech Foods. Increment in their value for the shareholders.

Mid Cap: In case of mid cap stock splitting companies out of five, only three companies that are Parsvnath Devl., Genus Power, and Alicon Cast. have the positive SVANW where only two Parsvnath Devl., and Alicon Cast. have more SVANW than their control companies in the immediately preceding year and among the five only three that are Gulf Oil Corpn., West Coast Paper, and Alicon Cast. have positive SVANW even more than their control companies in the period 1 before the stock split. after the stock split only one company Gulf Oil Corpn. has positive immediate change and only two Parsvnath Devl. and Genus Power have positive sustainable change in their SVANW. Whereas, out of the five control companies three companies and thereafter four companies have shown improvement in their value for the shareholders in the immediate and sustainable time frame respectively.

Small Cap: Out of five stock splitting companies, except Timex Group all the four companies have the positive SVANW in the year immediately preceding to the stock split and among them only two Lancor Holdings, and

Umang Dairies have more SVANW than their respective control companies where, in period 1 only three companies that are Lancor Holdings, Dalmia Bharat, and Umang Dairies have positive SVANW and out of them only Lancor Holdings has more SVANW than its control company. After stock split except Lancor Holdings all the four companies have positive immediate change in their SVANW where three companies Timex Group, Umang Dairies and Bhagyanagar Ind have sustainable improvement in their SVANW.

In total it can be observed that out of the total 15 stock splitting companies, 10 companies (3 from large cap, 3 from mid cap, and 4 from small cap) have positive SVANW in the year immediately before the stock split and in period 1, 11 companies have positive SVANW. Where out of 15 control companies, only 8 control companies (3 from large cap, 2 from mid cap, and 3 from small cap) and 11 control companies (4 from large cap, 3 from mid cap, and 4 from small cap) in the period 1 have positive SVANW. Thereafter, out of 15 stock splitting companies, only 7 companies (2 from large cap, 1 from mid cap, and 4 from small cap) have reported the improvement in their SVANW in the immediate time frame and after that again 7 companies (2 from large cap, 2 from mid cap, and 3 from small cap) have positive change in their SVANW in the sustainable time frame. On the other hand out of 15 control companies, 10 companies (4 from large cap, 3 from mid cap, and 3 from small cap) in the immediate time frame and in the sustainable time frame again 10 companies (3 from large cap, 4 from mid cap, and 3 from small cap) have positive change in their SVANW.

Thus, from the above results it is clear that the performance of stock splitting companies based on their value to the shareholders had been better in the year immediately preceding the stock split but on average the sustainable performance based on their value for the shareholder of the stock splitting companies and the control companies are similar before the stock split. Thereafter, where only 7 stock splitting companies (i.e. 46.67%) have positive change in their SVANW after the stock split there, 10 control companies (i.e. 66.67%) are having improvement in their value to the shareholders.

Table: 2. D(i)

SVANW OF STOCK SPLITTING COMPANIES				SVANW OF CONTROL COMPANIES			
Name of Companies	Immediate impact		Sustainable Impact	Name of Companies	Immediate impact		Sustainable Impact
	Last year of period I	First year of period II			Last year of period I	First year of period II	
	Difference	Average of period I	Average of period II		Difference	Average of period I	Average of period II
Large Cap							
Tata Motors	154.039	-9.249	-163.287	109.372	176.776	67.404	614.363
Ipsca Labs.	-104.728	37.453	142.181	68.687	79.903	11.216	24.074
Aban Offshore	465.066	496.893	31.827	-187.985	34.928	222.913	-138.659
Ruchi Soya Inds.	-16.429	-100.783	-84.354	-37.726	4.210	41.936	-152.164
Balrampur Chini	139.338	36.691	-102.648	-61.571	-3.807	57.764	288.522
Mid cap							
Parsvnath Devl.	66.474	17.092	-49.382	31.411	-11.614	-43.025	4.338
Gulf Oil Corpn.	-117.620	-99.179	18.441	-222.959	2.126	225.086	-1.115
Genus Power	40.226	-27.637	-67.863	2.397	-10.573	-12.969	-68.765
West Coast Paper	-0.983	-30.754	-29.771	-28.579	5.399	33.977	-34.087
Alicon Cast.	225.766	-82.122	-307.888	-222.101	17.056	239.156	-3.111
Small cap							
Timex Group	-4.732	128.894	133.626	77.175	76.773	-0.402	57.415
Lancor Holdings	76.969	-72.076	-149.045	-109.718	-5.467	104.250	-31.922
Dalmia Bharat	21.360	56.906	35.546	-58.059	-39.967	18.092	-105.411
Umang Dairies	48.451	631.247	582.796	351.691	355.495	3.804	25.188
Bhaavnanagar Ind	2.527	5.685	3.163	44.372	40.560	3.812	17.361

To verify the above findings are statistically significant or not, Paired T-test has been used. The summarised result of the paired T-test is presented in Table: 2. D(ii).

Table: 2. D(ii) :Table Showing Summarised result of Paired T-test for the changes in SVANW

Paired T test of SVANW				
	Stock Splitting Companies		Control Companies	
	Immediate Change	Sustainable Change	Immediate Change	Sustainable Change
Large cap				
p-value	0.276349	0.348996	0.281906	0.193459
T- value	-0.64732	-0.41714	0.628444	0.970128
DF	4	4	4	4
Mid Cap				
p-value	0.100187	0.094863	0.233223	0.350708
T- value	-1.53162	-1.5779	-0.80403	0.412069
DF	4	4	4	4
Small Cap				
p-value	0.191824	0.244101	0.40539	0.241407
T- value	0.977548	0.762583	-0.25572	-0.77271
DF	4	4	4	4
total				
p-value	0.496599	0.337283	0.399611	0.175226
T- value	-0.00868	-0.42884	0.259241	0.965968
DF	14	14	14	14

Table Value Of T at 4 degree of freedom is 2.776

Table Value Of T at 14 degree of freedom is 2.14

The above table clearly indicates that all the changes in the SVANW of the stock splitting companies and their control companies under study are insignificant which imply that none of the sample companies have significant increment or decrement of their value to the shareholders after the stock split.

V. CONCLUDING REMARKS

The management of a company decides to split its shares generally when the price of the shares becomes much high and expensive than its peer companies. Due to stock split, share price reduces to a certain extent and get affordable for the small investors also that helps to induce the market liquidity of the shares. On the other hand, stock split may take place because of its signalling impact. As it is the common belief that the stock split is generally performed by the exceptional performers, in order to confer the signal regarding the undervaluation of a company and its high growth prospect in future, the decision of stock split may be taken.

This study attempts to verify the liquidity and the signalling aspects of stock split. To observe the impact of stock split on liquidity, day wise turnover, volume of trade, and turnover ratios of the sample companies are analysed around the stock split announcement. It is found that most of the stock splitting companies have negative change in their stock liquidity but all the changes are not significant. Even, the percentage of stock splitting companies with significant negative change in their stock liquidity after the stock split announcement is much more than the percentage of total stock splitting companies with significant positive change. The performance of mid cap control companies have been better than the stock splitting companies of that group and at the same time the small cap stock splitting companies have performed better than their control companies as far as their stock liquidity around the stock split announcement is concerned.

On the other hand, in order to verify the extent to which the favourable signals provided by the stock split is justified, the financial performance (using two measures ROCE and EPRVS) and the value addition made by

them (using two modern measures MVANW and SVANW) have been analysed for the pre and post stock split to observe the immediate change and sustainable change in the above four measures. It is found that before the stock split most of the stock splitting companies have ROCE less than their respective control companies where, at the same time mid cap stock splitting companies were good before the stock split. After the stock split, most of the stock splitting companies have reported positive change in their ROCE but, thereafter in the sustainable time frame the control companies have shown better performance. Further, the mid cap stock splitting companies are noticed to have significant negative change in their ROCE after the stock split in the sustainable time frame where, the small cap stock splitting companies have been found to have much improvement in their ROCE but the change was insignificant. Considering the EPRVS of the sample companies, most of the companies have EPRVS more than their respective control companies and after the stock split, further improvement have been observed. Specially, the small cap stock splitting companies performed much better than their control companies and the stock splitting companies of the other two groups. In total, both the stock splitting companies and the control companies have shown significant positive change in their EPRVS in the sustainable time frame. But when considering the three groups separately, none of the stock splitting companies or the control companies of any group has shown significant change in their EPRVS after the stock split.

While considering the value added made by the shareholders around the stock split, the results of the analysis of both the MVANW and SVANW are found very similar. It is observed that most of the companies have positive MVANW but, very few stock splitting companies have MVANW more than their respective control companies before the stock split. After the stock split, the percentage of total control companies that have shown further increment in their MVANW is found much more compared to the percentage of total stock splitting companies having further positive change in their MVANW. Before stock split the value addition of stock splitting companies were good but after the stock split, the control companies have done better when considering their value addition to the shareholders. But at the same time, none of the changes in MVANW and SVANW of the sample companies after the stock split have been significant.

Finally, it can be concluded that in most of the cases the performance of control companies have been better than stock splitting companies around the stock split thus, “the stock split signals good performance and bright future prospect a company” this concept is not applicable here in this study. As far as liquidity aspect of stock is concerned, most of the stock splitting companies have insignificant negative change in their stock liquidity after the stock split announcement. In this case also, the control companies have been better than the stock splitting companies.

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**THE IMPACT OF CAPITAL STRUCTURE ON PERFORMANCE OF TELECOM INDUSTRY:
EVIDENCE FROM INDIA**

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ABSTRACT

Capital structure is an important decision of the business to fix the mixture of debt and equity capital of the company. The objective of the study is to determine the relationship between the capital structure and profitability and the impact of capital structure associate with firm's profitability For this study data has been collected only from secondary sources for the period from 2007-2016. Secondary data has collected from published annual reports and data base software. For this study choosing four dependent variables like Return on Capital Employed (ROCE), Return on Net Worth (RONW) and Earning Per Share (EPS) and one independent variable Debt Equity Ratio (D/E) to analyze the relationship between capital structure and profitability of the selected companies. The analysis is made with the help of STATA-11. To examine the relationship between debt equity ratio with other variables correlation, panel data regression analysis has been applied. The study reveals that there is a significant relationship between debt equity ratio and profitability of the selected telecom industry in India.

Keywords: Capital Structure, Fixed Effect Model, Hausman Test, Profitability, Random Effect Model.

INTRODUCTION

Capital structure means the composition of owned capital and debt capital in the wealth structure of the concern. Owned capital providers get the dividend and the debt capital providers get the interest from the company. From the debt equity ratio analyze the capital structure of the firm. Most of the firm objectives to optimize the capital structure of the firm so that the profitability and stability of the firm maximized. It shows how much fund should be made by the equity shareholders and how much fund share by the outsiders' means of debt capital providers. Concerns are always attention to be given when capital structure decision is to be made. Because any firm profitability and liquidity depends on the capital structure. It means how much of fund should be made by equity share holders and how much should be borrowed from outsiders as non-current liabilities. Suitable concern and awareness need to be given while making the capital structure decision. There could be several of options but to decide which option is best in firm's interest in a particular scenario needs to have deep insight in the field of finance as use of more proportion of Debt in capital structure can be effective as it is less costly than equity but it also has some limitations because after a certain limit it affects company's leverage. Therefore, a balance needs to be maintained. Another main issue regarding the management of an enterprise is the compromise to be made between low profitability and high liquidity that the current assets are offering. Profitability and liquidity are the most important issues that management of each organization should take studying and thinking about them into account as their most important duties. Liquidity refers to the ability of a firm to meet its short term obligations. Liquidity plays a crucial role in the successful functioning of a business firm. A study of liquidity is of major importance to both the internal and external analysts because of its close relationship with day to day operations of a business. A weak liquidity position poses a threat to the solvency as well as profitability of a firm and makes it unsafe and unsound. The profitability goals are contradictory to each other in most decisions which the finance manager takes. Thus, firms with high liquidity may have low risk and then low profitability. Conversely, firm that has low liquidity may face high risk results to higher return. Consequently, a firm is required to maintain a balance between liquidity and profitability in its day-to-day operations.

LITERATURE REVIEW

Some important relevant studies which have been gone through are mentioned below-

Babenko (2003) examines the state tax effect on optimal leverage and yield spreads to find out the optimal capital structure at the time of financial distress. A negative relationship exists between the ownership of shareholders with large blocks, on the one hand, and the degree of control, on the other hand, with regard to firm value, the second relationship being significant. However, endogenous treatment of these variables then reveals a positive effect for the ownership of the major shareholders on firm value. Fama and French (2002) implying that the profitability effects are in part due to transitory changes in leverage rather than changes in the target and also agree that the negative effects of profitability on leverage is consistent with the pecking order model. Fosu (2013) examine the relationship between capital structure and firm performance studied 257 South African listed firms using panel data and found that financial leverage has a significant positive effect on firm

performance. Guney et al. (2003) analyzed that profitability of firms exerts a negative impact on their capital structure and positive relation between leverage and tangible assets also the empirical findings supported the predictions in the literature that firms with greater growth opportunities have lower leverage ratios. Movalia (2015) looks the relationship between Capital Structure and Profitability of Tyre Industry in India by studying all the listed companies in BSE and NSE. Researcher observes that significant relation between debt-equity ratio and profitability of tyre companies and ideal debt equity ratio helps to increase profitability of company. Revathy et al. (2016) investigates the impact of capital structure on profitability of the manufacturing companies in India. The study reveals that there has been a strong relationship between capital structure and Profitability and also depicts increase in use of debt capital tends to minimize the net profit of the manufacturing companies. Salawu (2009) shows the influence of the capital structure on profitability of quoted companies in Nigeria. Researcher reveals that profitability present a positive correlation with short-term debt and equity and an inverse correlation with long-term debt. Another important fact is that there is a negative association between the ratio of total debt to total assets and profitability. Saeed et al. (2013) studied the impact of capital structure on performance of Pakistani banks using multiple regression models for the period 2007 to 2011. Performance was measured by return on assets, return on equity and earnings per shares and determinants of capital structure include long – term debt to capital ratio, short- term debt to capital ratio and Total debt to capital ratio. The result indicates that there is a positive relationship between determinants of capital structure and performance of the banking industry. Shaheen and Malik (2012) analyzed the impact of capital intensity, size of firm and profitability on debt financing in textile industry by using the sample of listed textile sector companies at the Karachi Stock Exchange of Pakistan. Convenience sampling has been used to select the companies for which data were available for the period of study. They concluded that the proportion of debt financing in capital structures is affected by the profitability, size and capital intensity of the firms in textile sector of Pakistan. Tailab(2014) examine the effect of capital structure on financial performance of energy American firms. Researcher reveals that total debt has a negative impact on return on equity and return on assets, but sales has negative effect only on return on equity of the American firms. Another observation is that the short term debt has a positive influence on return on equity and insignificant relationship was observed between long term debt, debt to equity and size in terms of total assets and profitability. Thamila and Arulvel (2013) examine the relationship between capital structure and financial performance of listed companies during 2007-2011. In all 30 companies were selected for analysis and net profit ratio, return on capital employed and return on equity were used as indicators of financial performance. The researcher discovered a negative relationship between capital structure and firm's performance. Velnampy and Nireesh (2012) focus the relationship between capital structure and profitability of ten listed Srilankan banks. Researcher pointed out that there is a negative association between capital structure and profitability except the association between debt to equity and return on equity. Yegon et al. (2014) examine the relationship between capital structure and the firm's profitability of banking industry in Kenya, by using panel data during 2004-2012. Researchers reveals that a significant positive relationship exists between the short term debt and profitability and statistically significant and also found that the negative relationship between long term debt and profitability.

OBJECTIVES OF THE STUDY

The main objective of the study is

- i) To determine the relationship between the capital structure and profitability
- ii) To determine the impact of capital structure associate with firm's profitability.

HYPOTHESES OF THE STUDY

In conformity with the above stated objectives, the following testable null hypotheses have been formulated:

H₁: There is significant relationship between the capital structure and profitability.

H₂: There is a significant impact of capital structure on profitability.

RESEARCH DESIGN

Research design means a way to systematically solve the research problem. It comprises a series of steps that are taken together to provide a roadmap for carrying out a research project.

Sample size and selection: The empirical work is based on a study of impact of capital structure on profitability in the telecom industry in India. For the purpose of analyzing the contribution of the selected area, the study has been made on those telecom industry for which data for all years is available for the period 2007 to 2016.

Data Type: The entire study is based on the secondary/quantitative data collected from the ACCORD database.

Research methods applied: Based on the objectives of the study, the researcher applied the descriptive statistics, correlation, panel data regression analysis.

ANALYSIS AND FINDINGS

The findings of the study are presented in below.

Table – 1: Market Capitalization of Telecom Industry

Sl. No.	Name of the Company	Market Capitalization (in Crores)
1.	Bharti Airtel Ltd.	157457.59
2.	Idea Cellular Ltd.	66110.38
3.	Primenet Global Ltd.	14753.84
4.	Reliance Communications Ltd.	11991.38
5.	Hathway Cable & Datacom Ltd.	4073.60
6.	Tata Teleservices (Maharashtra) Ltd.1	1544.39
7.	Mahanagar Telephone Nigam Ltd.	1146.60
8.	GTL Ltd.	194.27
9.	Tata Communications Ltd.	NA
10.	Vital Communications Ltd.	NA

Source: Compiled by Author

NA: Not Available

From the above table, it is seen that market capitalization of different telecommunication company that is selected in this study. The Bharati Airtel Ltd. is the best position in the selected company.

Table – 2: Descriptive Statistics of Variables

Variables	N	Mean	Std. Dev.	Min	Max
ROCE	90	5.042556	13.751.63	-39.1	68.77
RONW	90	7.61	76.9615	-113.96	693.63
EPS	90	8.134333	63.65081	-84.46	565

Source: Compiled by Author

ROCE – Return on Capital Employed; RONW – Return on Net Worth; EPS – Earnings Per Share

From the above table, presented the number of sample observation, mean, standard deviation, minimum value and maximum value for the dependent variables of the model. It shows the average indicators of the variable computed from the financial statements. Most interesting fact is that the mean score is highest in the Earnings Per Share (EPS) and lowest is Return on Capital Employed (ROCE). Another point is that standard deviation is very high in Return on Net Worth and lowers in Return on Capital Employed.

Table – 3: Correlation Matrix

		D/E RATIO	ROCE	RONW	EPS
D/E RATIO	Pearson Correlation	1	-.073	-.004	-.096
	Sig. (2-tailed)		.492	.967	.366
	N	90	90	90	90
ROCE	Pearson Correlation	-.073	1	.634**	.260*
	Sig. (2-tailed)	.492		.000	.013
	N	90	90	90	90
RONW	Pearson Correlation	-.004	.634**	1	.246*
	Sig. (2-tailed)	.967	.000		.019
	N	90	90	90	90
EPS	Pearson Correlation	-.096	.260*	.246*	1
	Sig. (2-tailed)	.366	.013	.019	
	N	90	90	90	90

Source: Compiled by Author

From the above table, correlation matrix of the dependent and independent variables is shows that positive correlation between ROCE and RONW, ROCE and EPS, RONW and EPS, with 1% level of significance. Another point is that there is insignificant negative correlation exist between debt equity ratio with ROCE, RONW and EPS.

Table – 4: Regression Results

Independent Variable	Fixed Effect Model coefficient (p value)	Random Effect Model coefficient (p value)	Selected Model (Hausman test)
DE ratio	0.006974* (0.000)	0.006953* (0.000)	Chi-square = 0.07 p value (0.7928) Random Effect Model
R square	0.4999	0.4999	
F/Chi-square	179.30* (0.000)	182.20* (0.000)	

Source: Compiled by Author (Dependent Variable: ROCE)

From the above table, it has been observe that Hausman test prefers the random effect model to the fixed effect model as the p value (0.7928) of the chi-square (0.07) lies above the significance level of 0.05. The value chi-square of the random effect model is 182.20 with p value of 0.000. The model is good fit as the respective p value falls under the significance level of 0.05. In this model, independent variable debt equity ratio explains around 49.99% movement of the dependent variable ROCE. The coefficients of the random effect model reveal that for 1% change in debt equity ratio ROCE directly changes by 0.69%. The effect of debt equity ratio is also statistically significant even at 1% level of significance.

Table – 5: Regression Results

Independent Variable	Fixed Effect Model coefficient (p value)	Random Effect Model coefficient (p value)	Selected Model (Hausman test)
DE ratio	0.042995* (0.000)	0.037867* (0.000)	Chi-square = 37.08 p value (0.4973) Random Effect Model
R square	0.4332	0.4332	
F/Chi-square	113.00* (0.000)	84.01* (0.000)	

Source: Compiled by Author (Dependent Variable: ROCE)

Based on the above table, it has been observe that Hausman test prefers the random effect model to the fixed effect model as the p value (0.4973) of the chi-square (37.08) lies above the significance level of 0.05. The value chi-square of the random effect model is 84.01 with p value of 0.000. The model is good fit as the respective p value falls under the significance level of 0.05. In this model, independent variable debt equity ratio explains around 43.32% movement of the dependent variable RONW. The coefficients of the random effect model reveal that for 1% change in debt equity ratio ROCE directly changes by 3.79%. The effect of debt equity ratio is also statistically significant even at 1% level of significance.

Table – 6: Regression Results

Independent Variable	Fixed Effect Model coefficient (p value)	Random Effect Model coefficient (p value)	Selected Model (Hausman test)
DE ratio	0.010172** (0.042)	0.012728* (0.004)	Chi-square = 0.01 p value (0.9152) Random Effect Model
R square	0.0844	0.0844	
F/Chi-square	4.27** (0.0421)	8.11* (0.0044)	

Source: Compiled by Author (Dependent Variable: EPS)

From the table no. 6, it has been observe that Hausman test prefers the random effect model to the fixed effect model as the p value (0.9152) of the chi-square (0.01) lies above the significance level of 0.05. The value chi-square of the random effect model is 8.11 with p value of 0.0044. The model is good fit as the respective p value falls under the significance level of 0.05. In this model, independent variable debt equity ratio explains only 8.44% movement of the dependent variable EPS. The coefficients of the random effect model reveal that for 1% change in debt equity ratio EPS directly changes by 1.27%. The effect of debt equity ratio is also statistically significant even at 1% level of significance.

CONCLUSION

The choice of capital structure is one of the most important strategic financial decisions of firms. In the light of the above, the main objective of this study was to examine the impact of capital structure on profitability of core business operation of telecom industry in India. According to the above finding, it is clearly shown that capital structure is positively correlated with companies' profitability. Therefore, concluded that debt equity ratio has a positive and significant effect on the financial performance of telecom industry in India. In conclusion, the finding of the study suggests that capital structure had significant impact on profitability of core business operations and implies managers need to consider this impact in their financing or capital structure decision.

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AN ANALYTICAL STUDY OF CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

The purpose of this study is to study the concept of corporate social responsibility and to evaluate the responsibility performed by the selected companies in India. Section 135 and schedule of company act is taken as standard for corporate social expenditure. The paper evaluates 12 selected Indian companies to find out the CSR activities. It is a cross sectional study which is exploratory in nature. It involved secondary data collection and use of content analysis technique to assess CSR practices of selected companies in India. The study suggests that selected companies major focus of CSR activity is on community development. Therefore companies have expended more on enhancing vocational skill for increasing employability of the community and promotion of education. Selected companies believe that Corporate Social Responsibility (CSR) is closely connected to the sustainable development of the communities that the business is a part of and the environment in which the business operates. The study clearly maps the CSR performance of companies against CSR Criteria in Indian company act 2013.

Keywords: Corporate social responsibility, CSR Criteria, Community development, expenditure.

1. INTRODUCTION

Corporate social responsibility is the ethical part of corporate decision making. It arises from the fact that a business enterprise operates in a society, generates benefits from society; therefore, require to provide return to society as well. Therefore corporate social responsibility (CSR) is 'the economic, legal, ethical and discretionary expectations that society has of organisations' (Archie Carroll, 1979). The concept of CSR includes the transparency of enterprises as well as taking into consideration the will and expectations of their stakeholders. Indian corporations have had a long tradition of social responsibility.

However, since the late nineties, CSR activities come under the surveillances of policy makers as well as of corporations' stakeholders. At the policy level, CSR started in India with the Corporate Social Responsibility Voluntary Guidelines in 2009 by the Ministry of Corporate Affairs (MCA, 2009) that culminated in the enactment of Section 135 of the Companies Act 2013 (MCA, 2013). The act makes CSR spending as well as CSR disclosure mandatory for specific types of companies. The objective of this paper is to examine the CSR spending of selected corporations in light of Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility. The twelve Indian industries rating Karmayog at level 4 were selected for the study purpose.

2. REVIEW OF LITERATURE

Number of studies has addressed the issue of corporate social responsibility in different perspectives. Some of the books, research papers related to this subject are reviewed.

Keith Davis, 1973 defined the CSR as 'the firm's consideration of, and response to, issue beyond the narrow economic, technical, and legal requirements of the firm.' (Durk Matten and Jeremy Moon, 2008), defined 'policies and practices of corporations that reflect business responsibility for some of the wider societal good. Yet the precise manifestation and direction of the responsibility lie at the discretion of the corporation' Moir Lance- in his article reviewed definitions of CSR from both practice and the literature and books at theories to explain why such behaviour takes place. The literature has strong divides between ethical or normative actions and instrumental activities. The article concludes by posing the question of when instrumental activities become business activities rather than large social responsibility. Lantos Geoffrey P. reviewed the development of the CSR concept and its four components: economic, legal, ethical and altruistic duties. He discusses different perspectives on the proper role of business in society, from profit making to community service provider. Christian Superti (2005) – concludes that CR has gained a lot of attention during the last decade and many more companies are producing non- financial today than ten years ago. Simeon Scott 2007- examined five themes arising from definition of CSR. According to him CSR promoting democracy and citizenship, reducing poverty and the inequality between rich and poor, employee right and working conditions, ethical behaviour. Shah Anup 2007- Shah concludes that recent years have witnessed increasing importance on CSR especially as concerns about climate change are becoming mainstream. Jose Rigoberto - jose rigoberto developed an analytical model for appraising and measuring CSR. The theoretical and conceptual grounds that sustainable model are based on previous approaches. Vivek Wankhade – in his article on 'Analysis of CSR spending of the Indian companies concluded that the amount spent on CSR by the public sector companies and the private sector companies is not

equal to 2 % of profits as per section 135 of companies Act 2013 and there is no significant difference in the amount spent by the public sector companies and private sector companies.

3. OBJECTIVES OF THE STUDY

The study has been carried out with the aim of evaluating CSR activities in the light of parameters given in Indian companies act 2013 section 135 and schedule VII of the selected companies in India. The aim of the study has been carried out with the following specific objectives

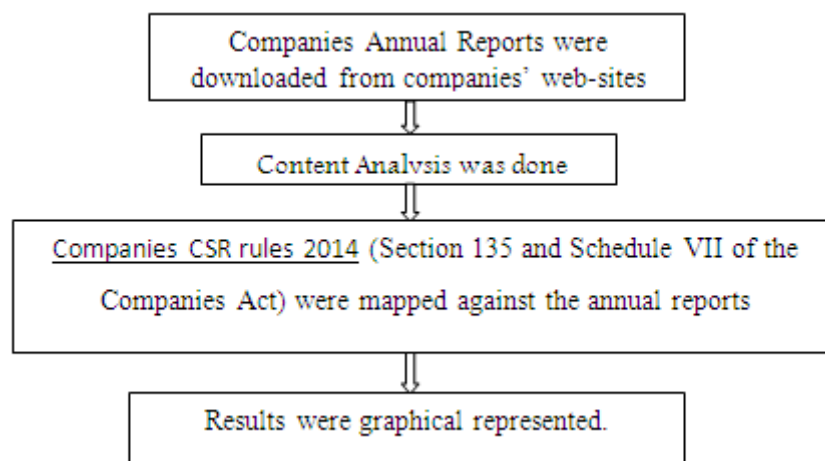
1. To study the concept and evolution Corporate social Responsibility
2. To study the nature and extent of CSR activities of selected companies.
3. To study the expenditure on CSR activities in the selected companies.
4. To draw conclusions on the CSR activities of the selected companies.

4. RESEARCH METHODOLOGY

Karmayog's research (fourth survey) was kept as base of present study. The industries rating at level 4 by Karmayog (12 industries rated at level 4 by Karmyog) were selected for the study purpose.

The secondary data collected from annual reports and applied content analysis. To evaluate the CSR spending, firstly the CSR aspects by Indian company act 2013 schedule VII were streamlined for compilation & better understanding. Then Annual reports were downloaded & its content analysis was done. The assessment of companies was done by mapping their reported aspects against the Schedule VII criteria which are accepted and used in India.

Flowchart depicts step wise methodology used for carrying out the study



5. CORPORATE SOCIAL RESPONSIBILITY: CONCEPT AND EVOLUTION

The concept of CSR has had a long and diverse history in the literature but in early 1950's & 60's the literature was not heavily represented in CSR discourse. It is seen that in the 1950s the primary focus was on businesses' responsibilities to society and doing good deeds for society. In the 1960s key events, people and ideas were instrumental in characterizing the social changes ushered in during this decade. In the 1970s business managers applied the traditional management functions when dealing with CSR issues, while, in the 1980s, business and social interest came closer and firms became more responsive to their stakeholders. During the 1990s the idea of CSR became almost universally approved. However this decade 'marked a significant growth in attempts to formalize, or more accurately, state what CSR means' (Carroll, 1999). According to Carroll, "CSR encompasses the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organizations at a given point in time." CSR was coupled with strategy literature and finally, in the 2000s, CSR became definitively an important strategic issue.

In India CSR is seen as part of corporate philanthropy in which corporations augment the social development to support the initiatives of the government. However with time, the scenario of CSR has changed from being philanthropic to being socially responsible to multi stake holders. India has been named among the top ten Asian countries paying increasing importance towards corporate responsibility. India was ranked fourth in the list, according to social enterprise CSR Asian's Asian Sustainability Ranking (ASR) released in 2009. The TNC India (a research organisation) and the times Foundation's survey in June 2008, concluded that over 90 % of all major India organisations surveyed were involved in CSR activities. Besides the public sector, it was the

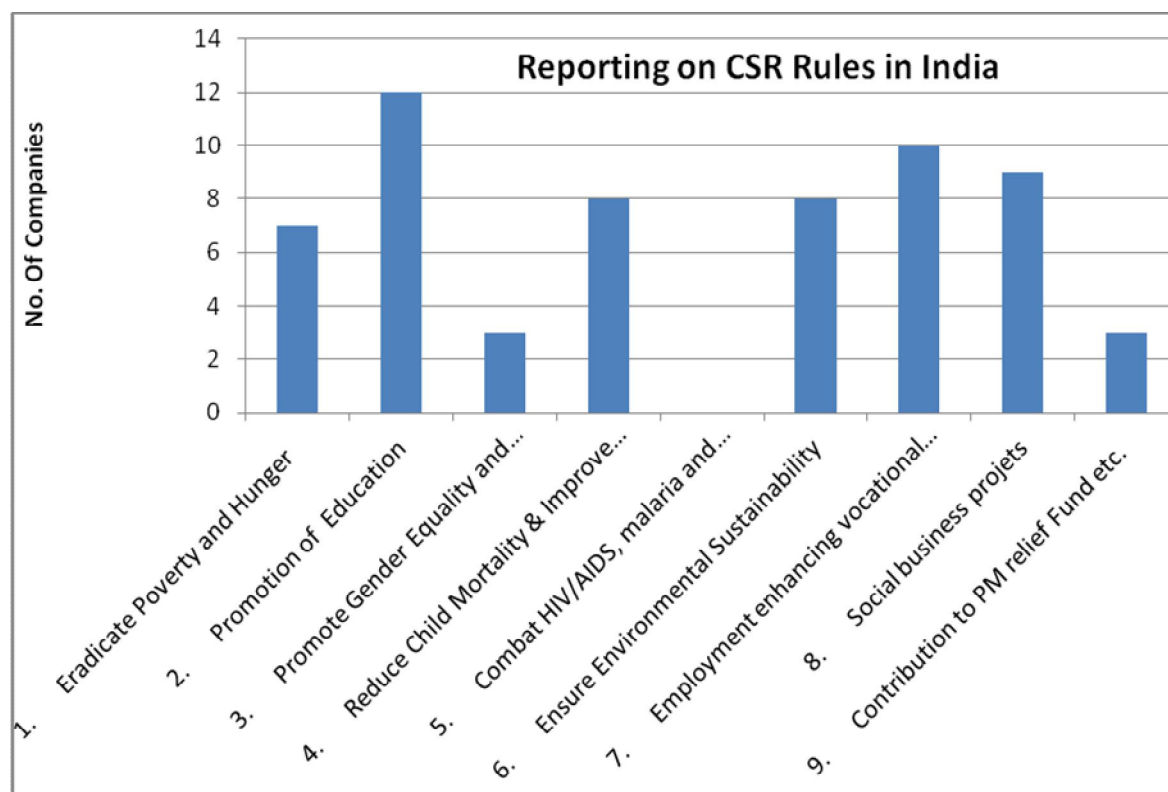
private sector companies that played dominant role in CSR activities across 20 states and union territories of 300 corporate houses, conducted by an industry body in June 2009. The survey conducted by Economic times revealed that donations provided by listed companies grew by 8 % during the financial year 2008-2009 and that 760 companies donated US \$ 170 million in the same year, up from US \$ 156 million in the year- ago period. As many as 108 companies donated over US \$ 216,199 up 20 5 over the previous year.

6. RESULT AND DISCUSSION

Karmayog's research (fourth survey) was kept as base of present study. For this, firstly the social aspects given in Companies CSR rules 2014 (Section 135 and Schedule VII of the Companies Act) were streamlined for compilation & better understanding. The list of companies rating at level by Karmyog is taken from the website. It is found that 12 companies have scored level 4 rating. Below is table showing Karmyog's rating.

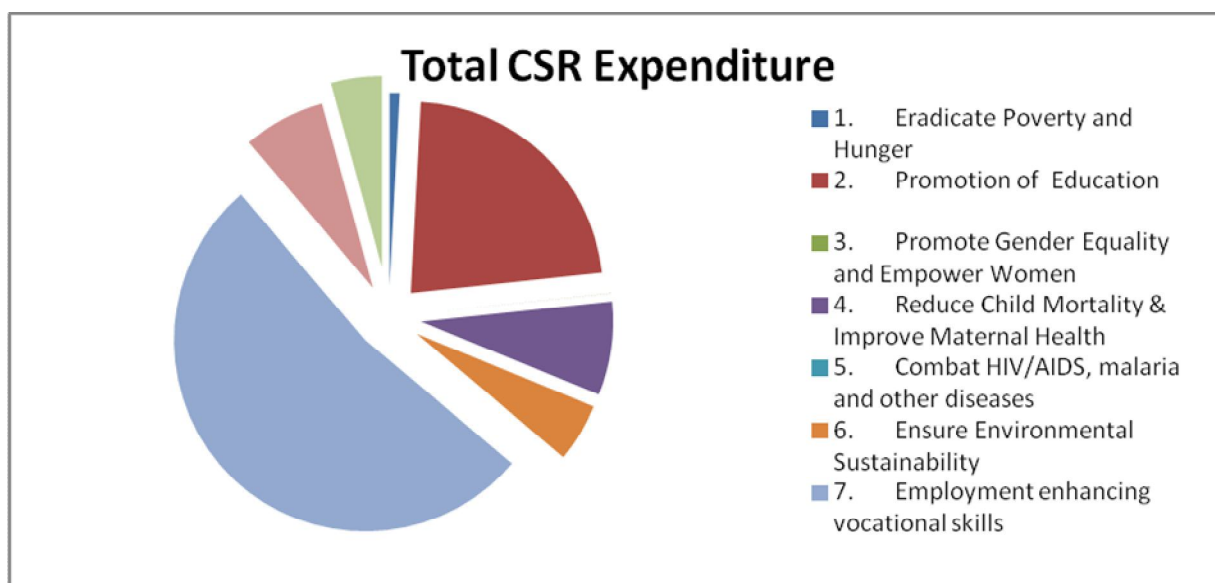
Karmayog CSR Rating 2010	No. of cos.	%
Level 5 (highest)	0	0
Level 4	12	2
Level 3	66	13
Level 2	161	32
Level 1	148	30
Level 0 (lowest)	113	23
Total	500	100

The companies rated at level 4 includes Ballarpur Industry, HDFC, Infosys, Jubilant life Sciences, Kansai Nerolack Paints Ltd, Larsen and Tourbo, Mahindra and Mahindra, Moser baer (India), TCS, Tata Steel, Titan Industries and Wipro. The CSR reports for the year 2014-15 of these industries were downloaded from the website, thoroughly evaluated & its content analysis was done to find out spending on CSR. A binary code of '0' & '1' was allocated for 'not spending' & 'Spending' on the particular criteria respectively. The results have been presented as below.



Ref. :Annual Reports-2014-15

The study observed that all companies selected for study were expending on employment enhancing vocational skills and the Promotion of education. But not a single company expends on combating HIV / AIDS, malaria and other diseases. The CSR expenditure by selected companies is given in below Graph.



Ref : Annual Reports-2014-15

It is observed by the researchers that majority CSR expenditure (RS.443956.36 lacs) was to enhance vocational skills of the local community. The major focus of CSR activity in selected companies is to increase employability of the community in India. The company focuses on promotion of education also. During the year 2014-15 the Expenditure on promotion of education was Rs. 189571.24 lacs. The very less expenditure is on Promote Gender Equality and Empower Women and there is no place found in CSR expenditure for Combating HIV/AIDS, malaria and other diseases. Only 3 companies i.e. Larson and turbo, Mahindra and Mahindra and TCS were contributing to the fund for socio- economic development and welfare of the schedule caste and women.

7. CONCLUSION

Business houses all over the world are realizing their responsibility in the society and engaging in various social and environmental activities. The need of the hour is to formulate effective strategic policies and adopt various instruments according to the company history, its content, peculiarity in relationship with its different stakeholders so that CSR can be best implemented towards its goals, sustained environmental, social and economic growth. In India the companies have realised and identified the CSR activities for community development. Skill development and Promotion of education are the two major focuses of the selected companies in India

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THE RELATIONSHIP AMONG SECONDARY LEVEL STUDENTS' MATHEMATICS ANXIETY IN THE DISTRICT OF BURDWAN

Nijamuddin Ali¹ and Aminuddin Ali²Assistant Professor¹, Department of Mathematics, Katwa College, Katwa, BurdwanResearch Scholar², Department of Statistics, Visva Bharati, Santiniketan, Birbhum**ABSTRACT**

This article aimed to investigate the relationship of mathematics anxiety among secondary students in the district of burdwan, WB, India. The sample of the study consisted of 100 (50 male and 50 female) secondary students of rural and urban area. To measure the mathematics anxiety, the students responded 30 items of the Mathematics Anxiety Rating Scale. The data were analyzed by statistical software R and independent sample t-tests. The results showed that there is no significant difference between male and female secondary students' mathematics anxiety.

Keywords: Mathematics anxiety, Secondary students, t-test.

1. INTRODUCTION

Mathematics anxiety can be defined as "a general fear of contact with mathematics, "including classes, homework and tests" (Hembree, 1990). It plays a key role in the study of mathematics. The anxiety about mathematics may improve their study or may be effect their study in mathematics. Various types of question concerning math anxiety have received scant research mind. In the test anxiety area, Morris distinguished two components of test anxiety, worry and emotionally. Worry is the cognitive component of anxiety, consisting of self-deprecatory thoughts about one's performance. Emotionally is the affective component of anxiety, including feelings of nervousness, tension and unpleasant physiological reaction to testing situation. Morris showed that these two components of anxiety are empirically distinct , though they are correlated, and that worry relates more strongly than emotionally to poor test performances (Morris, L.W., Kellaway, D.S. and Smith, D.H., 1978). Anxiety theorists believe that the worry or cognitive component of test anxiety interferes most with achievement performance.

Again shy students will face very much from the anxiety of mathematics. They will very likely withdraw from mathematics class activities such as asking question and will not participate in many academic and social growth opportunities. Many of these students will become dominated by the anxiety, making concentration on academic activities very difficult. Although many teachers may prefer to have shy behavior in their classroom because the classroom can be more orderly (Coplan , Hughes , Basacki & Rose – Kranson , 2011) , they view shy children as less capable of performing at a high level compared to their less shy peers (Hughes & Coplan , 2010).

Mathematics anxiety can also be defined as "a state of discomfort created when students are required to perform mathematical tasks"(Cemen, 1987). However there is no general consensus among the research scholars on its causes and effects. In fact, mathematics anxiety is more than a dislike towards mathematics (Vinson, 2001). Thus, it can be observed that basic mathematical skills and concepts acquired in any form are vital for the students (Siti & Rohani, 2010).

To study the relationship of mathematics anxiety between male and female secondary students, we choose a group of 100 secondary students by using random selection process from both rural and urban areas.

2. OBJECTIVES OF THE STUDY

Every field of the life has been tremendously changed in this era of science and technology which will help us to designing strategies for participation of students of both rural and urban areas in mathematics at higher level. The findings will help to reduce the level of mathematics anxiety.

3. HYPOTHESIS

We assume that the populations of mathematics anxiety for male and female students, rural and urban students are normally distributed. We also assume the randomness of the samples to allow independence of all measurements as well. Now, we consider the following null hypotheses:

Ho₁: There is no significant difference in mathematics anxiety between rural male and rural female students.

Ho₂: There is no significant difference in mathematics anxiety between urban male and urban female students.

Ho₃: There is no significant difference in mathematics anxiety between the students of urban area and rural area.

Ho₄: There is no significant difference in mathematics anxiety between male students and female students.

4. SAMPLE SOURCE AND METHODOLOGY

The following methods are procedures were adopted to conduct this study.

4.1. Population and Sample

All the students of class 7 in the district of burdwan were considered the population of this study. Sample of the study was 100 students of class 7 from different schools selected conveniently. 50 students were chosen from the urban area and 50 students were chosen from rural area. Among the 50 students of each area there are 25 male students and 25 female students. So in total 100 students there were 50 male students and 50 female students.

4.2 Instrument For The Study

Anxiety were measured by using a self made test. It consisted of 30 statements. This instrument was developed for measuring the anxiety of male and female students towards mathematics. In the 30 items there are 15 items in positive attitude and 15 in negative attitude. This instrument was based on five point Likert scale. By adding the score the total score denote the anxiety of the students towards mathematics.

Table -1 : The chart of positive and negative attitude

Item serial numbers of anxiety scale	
+ve	-ve
5,6,8,9,10,13,15,16,18,19,20,23, 27,29,30	1,2,3,4,7,11,12,14,17,21,22,24,25, 26,28

4.3. RESEARCH DESIGN

This study was descriptive in nature. Survey method was used for data collection.

5. RESULTS AND DISCUSSION

Data were collected on the scale from 100 respondents. The results were interpreted by comparing the means and by using the t-test at $P < 0.05$, level of significance.

Table 2: Analysis of data pertaining to HO₁

Variable	Category	No.	Mean	SED	T value	p value	Significant level
Rural male and rural female	Male	25	95.72	3.78397	0.909098	0.372389	NS
	Female	25	94.08				

The t-value for anxiety about mathematics in rural areas about gender is not significant at $P < 0.05$ level of significance. Therefore, null hypothesis that there is no significant difference in anxiety of male and female students in rural areas about mathematics at secondary level is accepted at 0.05 level of significance.

Table-3: Analysis of data pertaining to Ho₂

Variable	Category	N	Mean	SED	t	p value	Significant level
Urban male and urban female	Male	25	94.34	3.742887	-0.78015	0.442958	NS
	Female	25	97.26				

The t-value for anxiety about mathematics in urban areas about gender is not significant at $P < 0.05$ level of significance. Therefore, null hypothesis that there is no significant difference in anxiety of male and female students in urban areas about mathematics at secondary level is accepted at 0.05 level of significance.

Table-4: Analysis of data pertaining to Ho₃

Variable	Category	N	Mean	SED	t	p value	Significant level
Urban students and rural students	Urban	50	98.80	2.729659	1.128	0.264813	NS
	Rural	50	95.72				

The t-value for anxiety about mathematics in urban areas students and rural areas students is not significant at $P < 0.05$ level of significance. Therefore, null hypothesis that there is no significant difference in anxiety of students in urban areas and rural areas about mathematics at secondary level is accepted at 0.05 level of significance.

Table-5: Analysis of data pertaining to Ho₄

Variable	Category	N	Mean	SED	t	p value	Significant level
Male students and female students	Male	50	95.96	2.60542	1.35	0.183219	NS
	Female	50	92.44				

The t-value for anxiety about mathematics in male students and female students is not significant at $P < 0.05$ level of significance. Therefore, null hypothesis that there is no significant difference in anxiety of male students and female students about mathematics at secondary level is accepted at 0.05 level of significance.

6. CONCLUSION AND FUTURE RESEARCH AGENDA

The results of this study lead us to an important conclusion. The male and female students of rural and urban areas of secondary level of Burdwan district have same type of anxiety towards mathematics. It means that gender differential and residence differential has no impact on the anxiety of students towards mathematics in West Bengal.

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APPENDIX

Anxiety rating scale
Put tick in appropriate box

Sl. No.	Items	Strongly disagree (1)	Disagree (2)	Undecided (3)	Agree (4)	Strongly agree (5)
1	Working on mathematics homework is stressful for me.					
2	I get tense when I prepare for a mathematics test.					
3	I get nervous when I have to use mathematics outside of school.					
4	I worry that I will not be able to use mathematics in my future career when needed.					
5	I believe that I can do well on a mathematics test.					
6	I believe I can complete all of the assignments in a math course.					
7	I worry that I will not be able to get a good grade in my mathematics course.					
8	I believe I can understand the content in a mathematics course.					
9	I believe I am the kind of person who is good at mathematics.					
10	I believe that I will be able to use mathematics in my future career when needed.					

11	I feel stressed when listening to mathematics instructors in class.					
12	I worry that I will not be able to do well on mathematics tests.					
13	I believe I can get an 'A' when I am in a mathematics course.					
14	I get nervous when asking questions in class.					
15	I feel confident enough to ask questions in my mathematics class.					
16	I believe I can learn well in a mathematics course.					
17	I worry that I do not know enough mathematics to do well in future mathematics courses.					
18	I feel that I will be able to do well in future mathematics courses.					
19	I feel confident when taking a mathematics test.					
20	I believe I am the type of person who can do mathematics.					
21	I worry that I will not be able to complete every assignment in a mathematics course.					
22	I worry that I will not be able to understand mathematics.					
23	I believe that I can do the mathematics in a mathematics course.					
24	I worry that I will not be able to get an 'A' in my mathematics course.					
25	I worry that I will not be able to learn well in my mathematics course.					
26	I get nervous when taking mathematics test.					
27	I believe that I can think like a mathematician.					
28	I am afraid to give an incorrect answer during my mathematics class.					
29	I feel confident when using mathematics outside of school.					
30	I believe that I will be a mathematician in future.					

ANALYSING DEALER PERCEPTION TOWARDS 4PS OF MARKETING MIX IN UDAIPUR CITY

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ABSTRACT

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). In broad and simple terms, marketing mix theory demands that your marketing activities address your product strategy, pricing strategy, place strategy and promotional strategy. Each of the four Ps need to be geared towards your specific target market and work with each other in order for the strategy to be effective. The present research attempts to analyse the dealership perception for 4Ps or marketing.

INTRODUCTION

The marketing mix is a model of creating and implementing marketing strategies. It stresses the blending of various factors in such a way that both organizational and consumer objectives are attained. The elements are the marketing tactics, also known as the 'four Ps', the marketing mix elements are price, place, product, and promotion. When blending the mix elements, marketers must consider their target market. They must understand the wants and needs of the market customer then use these mix elements in constructing and formulating appropriate marketing strategies and plans that will satisfy these wants. These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response.

Product: The product is what you're selling, but it's not just the item itself that's included in this element. It's also the different varieties of your product, its quality, how it is designed, packaged and branded. Any reason why your consumer might want to purchase your product is included in the "Product P". From a dealer standpoint, while there are strategies one can use to differentiate oneself in the marketplace, a lot of the heavy lifting in this category is done by the manufacturer, as they are typically left in charge of product development.

Price: You may think that the price is merely the amount that you charge customers when they purchase your products or services but pricing strategies also include discounts, special offers, bonuses, payment plans, credit terms, etc. This is an element that all dealers do very well as credit terms are offered, monthly incentives are released, and special pricing and discounts are often applied.

Place: This is where the customers go to browse, look at and shop your vehicles. You can refer to your dealer building and your dealer website for this element. Dealers need to make sure their dealership is visible, convenient and well taken care of to attract the right consumers but they also need a website that reflects the quality and excellence of the brand and products. It is easy to find remarkable and grandiose dealerships in pristine condition, filled with spotless and shiny vehicles, but when you visit the website, the customer perception of the brand and product changes for the worst. It is important that your online strategies be properly aligned with the strategies you employ in store.

Promotion: Finally, we find the "Promotion P". You can refer to this P as the methods used by a dealership to distribute information about their products and services to their consumer base. This is where you will find great disparity in marketing strategies used from one dealer to the next, and another area where a dealership can really differentiate themselves. A good way to understand what your dealership should be doing is by asking the right questions to define your promotion strategy.

In broad and simple terms, marketing mix theory demands that your marketing activities address your product strategy, pricing strategy, place strategy and promotional strategy. In other words, you need to put the right product in the right place, at the right price, and communicate this information in a way that raises customer awareness. Seems simple right? But it's all about fit. Each of the four Ps need to be geared towards your specific target market and work with each other in order for the strategy to be effective. Does your dealership implement the essential 4Ps or marketing? Let me take you through the 4Ps, which will allow you to determine if you are executing a suitable and effective marketing mix strategy.

REVIEW OF LITERATURE

Elizabeth and Punya (2014) study focused on the perception of women car buyers. They opine that cars are more of a necessity than a status symbol. This paper has made an exploratory approach to identify the key

factors that influence the women consumers while selecting the appropriate four wheelers especially in B segment cars by considering the parameters such as mileage, maintenance cost, comfort and brand which are ambiguous and imprecise in nature.

Morita & Nishimura (2006) examined the possible impacts of changing consumer attitudes on the use of new information and communication technology and its results on the terms and conditions of automobile transactions, by integrating a used-car market study and a new-car market study into one coherent study.

Saxena (2014) study in Kerela revolves around consumer preference. The paper evaluates the Engel-Coleman-Blackwell model through which consumer preferences can be determined which is a four stage process. It also discusses methods of estimating consumer preference including survey and its limitation as well as Revealed Consumer preference which gauges the preferences in retrospect after the choice has been made.

Magrath & Hardy (1988) expressed that the manufacturers should create special strategies and tactics to accommodate contractor-dealers. Unlike conventional dealers who sell and service products, contractor-dealers are often the primary users and specifiers of supplier's products; therefore, they perform roles that are typically assumed by end-customers in more traditional distribution channels.

Wang et.al, (2017) revealed that the growing market for second-hand products facilitates the acceptance of warranty provided by dealers to promote sales and provide assurance for customers. Offering warranty results in additional cost due to warranty claims servicing. Such cost can be reduced through upgrade and preventive maintenance (PM) that improve the reliability of the product.

Pawar, Sudarshan and Naranje, Sunil (2015), conducted a study on segmentation of four wheeler brands on pricing basis in Pune city, with an aim to find what impact does price segmentation has on consumers. With a flurry of new vehicle launches in the country, ranging from basic car models on four wheels to highly modern ,stylish, contemporary and expensive sedans, further sub-segments are emerging in the car market.

Ravichandra et.al. (2007), study on the 'Customer Preferences of Automobiles Using Fuzzy Logic Decision-Making Approach and Graph Theory and Matrix Approach' has made a scientific approach to identify the key factors that influence the consumers while selecting four-wheeler by considering the parameters such as mileage, maintenance cost, comfort and brand. It evaluates that a Multi Criteria Decision Making tool Graph Theory and Matrix Approach (GTMA) is a suitable method to identify the preferences of the consumer who is in dilemma regarding brands, when confronted with innumerable brand choices and multiple car features.

THE OBJECTIVES OF THIS PAPER ARE AS UNDER

1. To study the dealer perceptions regarding sales of four-wheelers.
2. To assess the inter-relationship in dealers' perception with respect to 4Ps in four-wheeler marketing.

RESEARCH METHODOLOGY

The research methodology accounts for this research work includes the following points:

Data Source: The data for the current research paper was collected by using questionnaire to obtain responses from the dealers selling cars of 14 companies i.e., Tata, Hyundai, Maruti Suzuki, Ford, Toyota, Chevrolet, Honda, Mahindra, Nissan, Datsun, Audi, Skoda, and Renault and BMW Company in Udaipur city.

Type of sample: The sample includes 20 dealers residing in the geographical of Udaipur district of Rajasthan state in India

Sample of study: From the total numbers dealers in Udaipur, 20 car dealers are selected in the Sample. Dealers were selected on the basis of the convenient sampling method.

Data analysis Tools: The statistical tools & techniques used during the study include descriptive analysis and multiple regressions regarding perception of car dealer related with 4Ps were used.

Table 1: Respondent Demographics- summary

		Frequency	Percentage
Age	20-30 yrs	2	10%
	31-40 yrs	9	45%
	41-50 yrs	4	20%
	>50 yrs	5	25%
Education	Undergraduate or lower	7	35%
	Master's	13	65%

Gender	Male	18	90%
	Female	2	10%
Location /City	Urban	15	75%
	Rural	5	25%

DEALER PERCEPTION TOWARDS 4PS

Following are the scale items used to measure dealer perception towards 4Ps.

Table 2: Scale item description

DIMENSIONS	SCALE ITEM	VARIABLE NAME
PRODUCT	Fuel efficiency	Fuel_effi_D
	Pick up	Pick_up_D
	Compact size	Comp_size_D
	Comfort	Comfort_D
	Safety features (e.g. airbag etc.)	Safety_D
	Interior features	Interior_D
	Exterior Design	Exterior_D
	Environment friendly vehicle	Environment_D
	Engine power	Engine_D
	Advancing Technology	Adv_Tech_D
	Fun to Drive/Delight from driving	Fun_Drive_D
	Road-holding/Handling	Road_holding_D
	Plug-in solutions for navigation, speech recognition & mobile internet devices	Plug_ins_D
PRICE	Initial price of the car/ Cost to buy	Initial_price_D
	Cost of spare parts etc.	Cost_sparePrt_D
	Resale value	Resale_D
	Price negotiation with the dealer	Price_negotiation_D
PLACE	Dealer's location	Dealer_location_D
	Superior service	Service_D
	Waiting time after booking	Waiting_time_D
	Facilities available with the dealer	Facilities_dealer_D
PROMOTION	Cash rebates/DisFrequency	DisFrequency_D
	Low financing rates	Financing_rates_D
	Festive season offer	Season_offer_D
	Campaigns/Exchange melas /Car shows	Exchange_D
	Test ride	Test_ride_D
	Advertising	Advertising_D
	Brand image	Brand_img_D
	Personal assistance services (on call/ emergency)	Personal_assistance_D
AFTER SALES	Spare part availability	Spare_part_D
	Dealer after sales service	Dealer_service_D

FACTOR IMPACTING DEALER PERCEPTION (4PS)

To identify key variables of 4Ps that have impact dealer perception towards car purchase, multivariate regression analysis has been used with SPSS-19 software. Overall importance is considered as dependent variable and other 4Ps related factors are considered as independent factors and results were shown in table as under:

Table-3: Multiple regressions for 4Ps related factors

Descriptive Statistics			
	Mean	Std. Deviation	N
importance_4P	3.9000	1.48324	20
Comp_size_D	2.4500	.94451	20
Comfort_D	3.7000	1.65752	20
Safety_D	3.7500	1.68195	20
Interior_D	3.3500	1.42441	20

Exterior_D	3.7000	1.08094	20
Environment_D	3.6000	1.60263	20
Fun_Drive_D	3.3000	1.59275	20
Road_holding_D	3.2000	1.54238	20
Plug_ins_D	3.4500	1.14593	20
Initial_price_D	4.7000	.47016	20
Cost_sparePrt_D	4.1500	.87509	20
Resale_D	3.5500	1.57196	20
Price_negotiation_D	4.4500	.51042	20
Dealer_location_D	2.4000	.99472	20
Service_D	3.6000	1.60263	20
Waiting_time_D	3.3500	.98809	20
Facilities_dealer_D	3.2500	.91047	20
Discounts_D	4.6500	.48936	20
Financing_rates_D	4.5000	.51299	20
Season_offer_D	4.2500	1.01955	20
Exchange_D	3.2000	.95145	20
Test_ride_D	4.4500	.51042	20
Advertising_D	2.8000	1.28145	20
Brand_img_D	4.4500	.51042	20
Personal_assistance_D	4.3500	.48936	20
Spare_part_D	4.3000	.47016	20
Dealer_service_D	4.7000	.47016	20
Fuel_effi_D	3.9000	1.74416	20
Pick_up_D	3.0000	1.29777	20
Adc_Tech_D	3.6500	1.63111	20

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	Resale_D	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	Dealer_location_D	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a. Dependent Variable: importance_4P

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.770 ^a	.593	.570	.97277
2	.870 ^b	.756	.728	.77414

a. Predictors: (Constant), Resale_D
b. Predictors: (Constant), Resale_D, Dealer_location_D

ANOVA ^c						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.767	1	24.767	26.173	.000 ^a
	Residual	17.033	18	.946		
	Total	41.800	19			
2	Regression	31.612	2	15.806	26.374	.000 ^b
	Residual	10.188	17	.599		
	Total	41.800	19			

a. Predictors: (Constant), Resale_D
b. Predictors: (Constant), Resale_D, Dealer_location_D
c. Dependent Variable: importance_4P

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.322	.549		2.408	.027
	Resale_D	.726	.142	.770	5.116	.000
2	(Constant)	-.292	.647		-.452	.657
	Resale_D	.770	.114	.816	6.773	.000
	Dealer_location_D	.607	.180	.407	3.380	.004
a. Dependent Variable: importance_4P						

CONCLUSION

Consumer behavior and perception forms the main crux of innumerable research studies, in the field of marketing, over the past many years. But it is justifiable too, that dealers are also main crux of dealer behavior is the fulcrum point around which all the marketing operations revolve, in the present era of consumerism. Udaipur is growing market. All major brands of four-wheelers have found a foothold the city- Ford, Hyundai, Tata, Maruti, Audi, Mahindra, Renault, etc. There's a huge increase in the number of four wheelers plying on the roads of the city of Udaipur and in the number of four-wheelers that people own. Hence, this study has been intended to determine the dealer perception with special reference to the 4p's of marketing of four-wheelers.

Regression model with 3 independent variables explains almost 82% of the variance in Importance of 4Ps factors. The regression coefficients, plus the constraints are significant at 0.05 levels. The ANOVA analysis provides the statistical test for overall model fit in terms of F Ratio. The total sum of squares (41.800) is the squared error that would accrue if the mean of causes of importance has been used to predict the dependent variable. With the above analysis it can be conclude that according to dealer perception, factors like resale value of car and accessibility of dealer location are very important for the customer to make purchase intention.

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BITCOIN IN INDIA: THE WAY FORWARD

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ABSTRACT

A purely peer-to-peer version of electronic cash would allow online payments to be sent directly from one party to another without going through a financial institution. Digital signatures provide part of the solution, but the main benefits are lost if a trusted third party is still required to prevent double-spending. In this respect bitcoin provides a solution to the double-spending problem using a peer-to-peer network. It's an open source peer-to-peer cryptographical system where transactions happen through a public ledger. Eight years since its introduction, bitcoin is today the most widely used and accepted digital currency. India has seen a positive growth in the cryptocurrency market. In line with recent growth in the global markets, bitcoin exchanges in India are very much operational and successful. In this respect the large population of India has provided a suitable opportunity for the growth of bitcoin. As a result, a cryptocurrency works best when the volume of transactions is large relative to the individual transaction size.

I. INTRODUCTION

The Bitcoin scheme carries attributes of a payment system in that it facilitates the transfer of value between parties. Unlike traditional payment systems, which typically involve the transfer of value, denominated in a sovereign currency such as the US dollar, bitcoin has its own metric for value called a bitcoin. In essence, a bitcoin is an electronic token without reference to any underlying commodity or sovereign currency, and is not a liability on any balance sheet. Since the creation of Bitcoin in 2009, numerous private cryptocurrencies have been introduced. Bitcoin is by far the most successful one. More importantly, a number of central banks started recently to explore the adoption of cryptocurrency and blockchain technologies for retail and large-value payments. Policy makers concern about the opportunities and challenges brought about by these technological advances, there is very little guidance provided by economic theory regarding the appropriate usage of these technologies and the optimal design of these systems. After conquering China and catapulting it to the front line of bitcoin's trading and mining sector, it is now starting to get attraction in other countries like Japan and South Korea. Now bitcoin is also showing signs of a growing adoption rate in India, a country that has been deeply impacted by the demonetization policies implemented.

II. BITCOIN TRANSACTION PROCESS

The Bitcoin transaction process uses cryptography to verify transactions, process payments, and control the supply of bitcoins. The particular cryptographic schemes implemented in the bitcoin protocol are not new and, in fact, are used in a wide range of information security applications. Because the topic is somewhat esoteric in economic applications and, more importantly, because we believe that cryptographic and distributed algorithms may have applications to a broader set of economic practices reaching beyond the payment industry, Cryptographic algorithms have implications for the security and privacy of bitcoin's implementation, we start with a brief overview. Then we turn to describe a transaction record on the public ledger. Because the public ledger is the main source of information for the activity in the bitcoin system, its structure naturally determines the scope of our empirical analysis. The bitcoin transaction process has mechanisms in place which guarantee that (a) the verification of each transaction is distributed among multiple participants in the network, (b) the recording of each transactions are linearly ordered with consecutive time stamps, (c) the participants in the payment network compete and are rewarded for recording a transaction, and (d) multiple nodes cross-check each transaction record.

III. EXCHANGE RATES

Exchanges are platforms on which a user who wants to either sell or buy bitcoins with another currency can do so. Much of the media coverage regarding the sky-rocketing price of bitcoin is derived from information coming from these exchanges. Since pricing in bitcoin transactions is demand based, it is exceptionally volatile. Volumes of trading happen every second. The price of a bitcoin is largely dependent on the trading i.e. demand and supply factors. More the demand, higher is the price. The prices remained under the range of US\$ 300 until late 2015 In the following year, around June 2016, in a positive hunch, the price rose to US\$ 755. After March 2017 the prices have only increased.

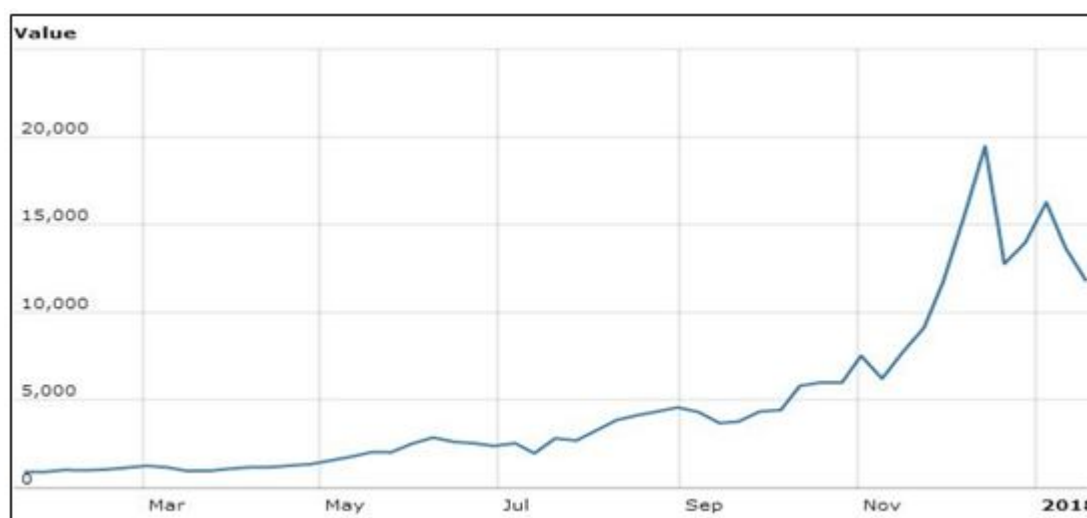


Fig. 1: Exchange Rates

I. BITCOIN EXCHANGES IN INDIA

Typically, a bitcoin exchange is a business platform that facilitates exchange of bitcoins for another currency including a fiat currency, thereby allowing the users to trade and make profit. Given the high volatility and a ready market without any regulatory intervention, people find it suitable to trade, invest and hold and make profits out of the same. There exists a number of bitcoin exchanges in India that allow the customers to trade bitcoins for others assets such as conventional fiat money. Some of them are Unocoin, Zebpay, Coinsecure etc. India has seen a positive growth in the cryptocurrency market. In line with recent growth in the global markets, bitcoin exchanges in India are very much operational and successful. Their business models range from basic trading platforms to comprehensive service providers. In India a variety of services are being provided by different exchanges in India, following are some of the services:

1. Storing bitcoin in a bitcoin wallet after deposit/receipt of the same in the wallet.
2. Exchange of bitcoin with other currency like a fiat currency.
3. A Merchant gateway service used to pay to merchants in bitcoins and acceptance by them thereon.
4. Mobile application providing ease of accessing bitcoin wallets.
5. Sending bitcoins stored in the wallet to another wallet/withdrawing.

II. BITCOIN: NEITHER A CURRENCY NOR A COIN?

“Currency” is generally defined as tokens used as money in a country. In addition to metal coins and paper bank notes, money orders, it also includes electronic money or digital cash. Currency includes all currency notes, postal notes, postal orders, money orders, cheques, drafts, cheques, letters of credit, bills of exchange and promissory notes, credit cards or such other similar instruments, as may be notified by the Reserve Bank, as per Section 2(h) of (FEMA) Foreign Exchange Management Act, 1999. As is evident from the above definition, bitcoin doesn’t fit in any of the illustrative names. RBI hasn’t notified bitcoin as legal tender in India and therefore it couldn’t be termed as real currency for the time being. “Coin” means any coin which is made of any metal or any other material stamped by the Government or any other authority empowered by the Government in this behalf and which is a legal tender including commemorative coin and Government of India one rupee note. It is hereby clarified that a “coin” does not include the credit card, debit card, postal order and e-money issued by any bank, post office or financial institution. On study of above, bitcoin is certainly not metal or even any other material for that matter. Moreover, it’s not legal tender. If it was to become e-money in the near future, still it could not be coin as per the Coinage Act, since e-money is specifically excluded from the above definition. Hence, bitcoins cannot be considered as coins now or in the days to come.

III. BITCOIN: NOT A FOREIGN CURRENCY?

The closest we could define bitcoin as is ‘virtual currency’ or more particularly ‘cryptocurrency’. As far as Foreign Exchange Management Act, 1999 (FEMA) is considered, Section 2(m) defines, “foreign currency” means any currency other than Indian currency”. Section 2(q) also defines Indian currency. Accordingly, “Indian currency” means currency which is expressed or drawn in Indian rupees but does not include special bank notes and special one rupee notes issued under section 28A of the Reserve Bank of India Act, 1934 (2 of 1934). As mentioned before, the RBI can explicitly declare bitcoins to be currency; in this case it would fall

under the definition of foreign currency and be dealt with accordingly. However, the present situation is such where bitcoin doesn't fall in any of the above definitions. So, it does not cleanly fall into the category of foreign currency as per FEMA as it does not qualify to be currency as per the same Act, the RBI would have to explicitly notify it to be such in the first place. Section 2(n) of FEMA defines foreign exchange as, "foreign exchange" means foreign currency and includes (i) deposits, credits and balances payable in any foreign currency, (ii) drafts, travellers cheques, letters of credit or bills of exchange, expressed or drawn in Indian currency but payable in any foreign currency, (iii) drafts, travellers cheques, letters of credit or bills of exchange drawn by banks, institutions or persons outside India, but payable in Indian currency. Examining the above, it's conclusive that bitcoin does not conform to the above definition and thus it is certainly not foreign exchange. It is hereby inferred that in exchange of any imports made by any person in India, it is manifestly impossible to remit payment in bitcoins in the ambit of law.

IV. BITCOIN: NOT A COMMODITY DERIVATIVE?

Bitcoin is treated as 'commodity' in few foreign jurisdictions. However, to understand the intricacies revolving bitcoins as 'commodity derivative' in India, one shall have to refer the Securities Contracts Regulation Act, 1956. Section 2 clause (bc) of the Act defines the expression as: "commodity derivative" means a contract:

- (i) for the delivery of such goods, as may be notified by the Central Government in the Official Gazette, and which is not a ready delivery contract; or
- (ii) for differences, which derives its value from prices or indices of prices of such underlying goods or activities, services, rights, interests and events, as may be notified by the Central Government, in consultation with the Board, but does not include securities as referred to in sub-clauses (A) and (B) of clause (ac).

To be able to be covered by the above definition, the essential element is a contract. While the definition of contract is dealt by the Indian Contract Act, 1872, either of the above two purposes is a pre-requisite for a contract to be a commodity derivative contract. Essentially, bitcoin is not goods as already explained in the preceding sections; additionally it is also not something that has its value derived from an underlying good or something else. In fact value of bitcoins fluctuates on demand-supply phenomenon rather than anything persistent. Conclusively, bitcoins cannot be treated as commodity; also it cannot be treated as commodity derivative. Therefore, SEBI cannot be seen as the authority overseeing bitcoin exchanges.

V. POTENTIALITY OF BITCOIN IN INDIA

The new fondness for bitcoins has been a result of a cascade of global uncertainties that began with Brexit, leading to a weak Chinese yuan, followed by Donald Trump's win and Modi's crackdown on untaxed money, resulting in a precariousness of investments in local gold and real estate markets. Bitcoin's received a lot of attention after the demonetization policies that saw India's highest denomination banknotes removed from the economy were implemented in November 2016. While the demonetization itself may have been a catalyst for bitcoin's growth in India, it simply revealed one of the many advantages that bitcoin brings, in this case, the lack of centralized control and the superior privacy provided by the cryptocurrency. In India, only a few companies accept bitcoin payments, and that too as indirect transactions made through the exchanges. For most users, bitcoins are investments that are similar to gold. They are appearing as a surer bet to investors, even those with a somewhat delicate appetite for risk. This move won't cause India's banks to crash people are rushing to exchange the soon to be worthless notes, and the banks don't have enough new notes to cover them, so their balances are swelling. Demonetisation may not have impacted directly, but it has definitely triggered interest in all things cashless, including bitcoins. However, the price of bitcoin could be going up because of speculation that in the long run, people might want to look at bitcoins as a way of storing their money so they don't get affected by moves to demonetise currency. I feel India and bitcoin share the same relation because for bitcoin and the similar technologies to grow, India needs huge innovation in Information Technology. India is often referred to the World's technology support department as such Internet and broadband adoption rates are increasing with the availability of smart-phones and heavily-subsidized, high-bandwidth data plans sold in most cities across India. More access to internet and mobiles means higher penetration for bitcoin and similar technologies. India being the second most populated country in the World which thereby makes it a country overflowing with urban millennialism who have cheap internet access, thereby making it a perfect potential ground for the growth of bitcoins.

VI. CONCLUSION

Recently, the Indian government established an Interdisciplinary Committee chaired by various institutions like the country's central bank and ministry of home affairs.

The Committee's main functions are:-

- to take stock of the present status of virtual currencies (VCs) in and outside of India;
- examine existing global regulatory and legal structures for VCs;
- suggest measures for dealing with such VCs including issues relating to consumer protection, money laundering, etc;
- to examine any other matter related to VCs that may be considered as relevant.

The committee is expected to release a report on its findings. It is unclear what changes the committee will bring about but Ray hopes that the creation of this organization will help citizens better understand virtual currencies, their benefits and risks. The “largest self-regulatory body in India” is the Digital Asset and Blockchain Foundation of India (DABFI). This self-regulatory body is comprised of Bitcoin startups in the country such as Unocoin, Zebpay, Coinsecure, and SearchTrade. The organization will focus on creating standard guidelines for trading, KYC/AML and STR norms, while collaborating with regulators, creating awareness about the benefits and risks of cryptocurrencies such as bitcoin, and producing an environment that will stimulate the creation of other blockchain startups. DABFI will also publish reports regarding cryptocurrencies.

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FOLK CULTURE AND FOLK FESTIVALS OF THE KARBIS IN KARBI ANGLONG, ASSAM: AN ANTHROPOLOGICAL OBSERVATION

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ABSTRACT

In the multi-ethnicity of India the tribal societies have their own identity and cultural heritage. Their modes of occupational pursuit, norms, values, customs, practices as well as cultural heritages are very much interrelated with their ecological habitat. Their festivals, religious festivals and folk performances reflect cultural heritage and their cognition about surrounding nature. It reflects their community consensus and obedience, devotion to the nature. This paper is an attempt to discuss the cultural and ethno-ecological aspects of the religious festivals and folk cultural performances practiced by the Karbi tribal people of Karbi Anglong, Assam.

Keywords: Society; Culture; Tradition; Folk culture; Religion; Environment.

[I]**ETHNO-ECOLOGY AND CULTURE**

Society and culture are interdependent and interrelated to each other. Society can be looked upon as a process, a series of interaction between human being where each person responds to the stimuli of other person. No social life is possible except such interaction and this communication is the basic to all social life. The whole human society and each group in the society can be viewed as the manifestation of the social processes between the interacting members. These interactions ultimately form the social structure and the norms, values and customs related with these social relationships determine the cultural aspects of human being. Actually a culture is the way of life of people; while a society is an organized, interacting aggregate of individuals who follow a given way of life, thus society is composed of people and the way they behave is their culture (Herskovits, 1955:316). Culture consists of the abstract values, beliefs and perceptions of the world that lie behind the people's behavior and that are reflected by their behavior. These are shared by members of a society, and when they are acted upon, these elements produce behaviour that is intelligible to the other members of that society. Cultures are learned, rather than inherited biologically, and they are learned largely through the medium of language. The parts of a culture function as an integrated whole (Haviland, 1999:35). The unique capacity for culture in the human species depends on learning. Culture is obtained through the process called enculturation that is the process of social interaction by which people learn and acquire their culture. Human being acquires their culture both consciously through formal learning and unconsciously through informal interactions. Culture includes all the elements in man's mature endowment that he has acquired from his group by conscious learning or by a conditioning process- technique of various kinds, social and other instructions, beliefs and patterned modes of conduct (Herskovits, 1955:305-306).

The relation between life and environment is extremely intimate. Every change in a living creature involves some change in its relation to environment and every change in the environment creates some change in the response of the organic being. Our environment is our habitation in the complete sense. The daily livelihood activities and the cultural aspects of human being are closely related with the surrounding environment. In context of society culture has its own application to the ways of life or designs for living common at any one time to all mankind; to the ways of living peculiar to a group of societies between which there is greater or lesser degree of interaction to the patterns of behaviour peculiar to a given society. The tendency for all aspects of a culture is to function as an interrelated whole which is called as integration. This integration is prevailed through its economic, political and social aspects. The fundamental components of every culture are its material and non material aspects. Material culture consists of the physical products of human society whereas the nonmaterial products are intangible goods like values, beliefs, norms, morals, and customs.

India is a multi-ethnic, multi-religious country. Along with its multi ethnicity the cultural variabilities are diversified in nature. Simultaneously with the variation of geographical landscape culture has become different from one region to another. In the context of multiculturalism in India the tribal culture has its own importance. Most of the Indian tribes live in the forests, hills and naturally isolated regions and they are known by their distinguishing names meaning either the people of forest and hill or the original inhabitants and so on. The socio-cultural life of the tribals are intimately connected with the forest ecology and forest is an inseparable part of their daily life. Roy Burman opined in 1982 that " directly or indirectly in the tribal mind forest symbolizes life in its manifold manifestations i.e. home, worship, food, employment, income and entire gamut. Tribals can in fact be regarded as children of forest (cited in Vidyarthi and Rai, 1976: 330).

The daily life of the tribal people are closely related with their surrounding environment. The tribal culture has its own heritage and it is nourished in the lap of nature. The cultural heritages of the tribals are informal, oral, illiterate and unreflected many i.e. folk based traditions. Their cultural heritage and their cultural traits and elements are not merely for the individuals rather it is for the entire community as a whole. Folk traditions of the tribals are a composite whole which is one of the dominant characteristic of their culture. In folk songs, verse and music go together and the musical aspect is much more reflected in practice. The simple catchy folk tunes conveying the feelings and sentiments of their ancestors, their lives and thoughts, their activities and achievements, their morals and discipline are of great value (Vidyarthi and Rai, 1976: 330). The term 'folk culture' includes unity, tradition, community dependence and collective awareness and consciousness of the concerned people. This term was first coined by W.J. Thoms in 1846 and it is recognized universally. C.F. Potter has defined folk culture as "a lively fossil which refuses to die" (cited in Deogaonkar and Deogaonkar, 2003: 1-2). The tribal folk culture mainly includes folklore that is a collective combination of myths, legends, tales, proverbs, riddles, ballads, folk song, folk dance, folk music, folk carvings etc. It comprises the least tangible expression of the aesthetic aspects of culture (Herskovits, 1955:267). The term folklore should not get restricted to traditional customs, rites and beliefs of the past lingering among backward people in complex civilizations, but now extended to include folk arts, folk abuse, folk proverbs, riddles, idioms etc. both among people of civilization and among primitive civilizations. He believed that folklore throws a flood of light on the early intellectual evolution of human society and for this reason he regarded folklore as "pre- history of human mind". He emphasized upon the need to collect and preserve folkloric traditions, because they are the treasury of our past handed down from generation to generation. He told that the study of folklore should include folksongs, ballad, folk rites, folk traditions, folk beliefs associated with dreams, superstition, omen, folktales, folk proverbs, folk riddles, folk magic and *Totaka*, folk abuse, folk recreations etc.

This folk tradition is mainly based on dance and song with the tunes of music which are based on various natural tunes, notes and cords those come across the nature. The sounds of the birds, the flow of the river and the wave of the winds are the sources of their music. Ultimately the folk cultures of the tribal people are the reflection of their interactions with the environment and the nature plays here the keen role to create collective consciousness and unanimous celebration of folk cultural performances among the tribal societies. On the other hand their religious festivals denote humble submission and devotion to natural forces and supernatural agencies (Choudhury,2003:1). Ultimately both their religious festivals and folk performances reflected their cultural heritage and an ethno ecological cognition in a wider spectrum. Such issues have been observed in case of the Karbi tribal group of Karbi Anglong, Assam.

[II]

FESTIVALS OF THE KARBIS

The present study and the methodology applied: The Karbi Anglong District is situated in the central part of Assam. The population of the district is predominantly tribal. The major tribal ethnic groups of this district were Karbis, Bodos, Kukis, Dimasas, Hmars, Garos, Rengma Nagas etc. Besides, a large number of non-tribals also lived together in this hill region. The Karbis were the indigenous community of the said region. The studied people were all belonging to the Karbi tribal group which was the numerically dominant people of the district (Bey,2004:1).

The present study has been done on the basis of empirical field work among a few selected villages under the Hamren sub division of Karbi Anglong district. The studied areas were one of the earliest settlements of the Karbi people. The study was conducted among 300 families with a total population of 1653. Among them there were 852 males and 801 females. The study was conducted during the period of January 2014 to December 2016. There were four divisions of the total field work. Two to three times of field work was done under each division as per the requirement.

Division-1: Foremostly, the general observation of the village was done along with the completion of Preliminary Census Schedule (PCS) to know the demographic composition of the studied people.

Division-2: Case studies were taken on the concerned families. It was focused on the issues of their historical background, traditional cultural practices, religious belief, traditional occupational pursuit, folk cultural heritages and indigenous knowledge.

Division-3: Detailed open structured interviews were taken from the key informant, eldest person of the settlement, leader of the traditional political organization of the concerned society, administrative authority related with the studied settlement. It focused on the significance of religious and folk performances in the livelihood of the concerned people.

Division-4: The data was collected about the cultural and ethno ecological perspective of their different festivals.

OBJECTIVE OF THE PRESENT STUDY

The present study is primarily focused

1. To know about the society and cultural tradition of the studied people.
2. To know about the religious festivals of the Karbi people.
3. To know about the folk cultural performances of the Karbi people.
4. To analyze the cultural and ethno-ecological perspectives of the festivals of the Karbi people.

RELIGIOUS FESTIVALS OF THE KARBI PEOPLE

'HI-I' and 'ARNAM'-roughly translated to mean 'demon' and 'deity'- enjoy equal status in Karbi folk rituals. The presences of deities and their negative 'counterpart' in Karbi rituals reveals their belief in Animism and soul (Bey,2009:11-13).

The Karbis practiced various religious festivals. They performed rituals and festivals for the wellbeing of the people and that of the community. The various religious festivals of the Karbi are briefly discussed-

1. Peng: *Peng* is a household deity who protects it from all supernatural evil effects, diseases and allied misfortunes. He is the eternal sentry who guards the household against all dangerous intrusions. *Peng* is therefore annually propitiated and His 'alter' is placed atop the main door of the house. Its chantation denotes that *Peng* as a brother/sister; who eats from our hand, who is the protector of the household.

2. Chojun: The worship of *Chojun* is also known as 'arnam kethe karkli' literally which means worship of the Great Deity. *Chojun* is a household ritual and is performed for family wellbeing during which the Ancestor from both the male and female lineages are also propitiated. During *Chojun* a number of deities are propitiated in the alter serially arranged.

In *Chojun* there are six agenda to be performed.

The castration of he-pig (phak arme kerot); The preparation of rice beer (hor ketun);

The preparation of booth (phongrong keteng); Invoking to God (kasadi); Worshipped of Great God (kechopi)

To see result of the worshipped (hanbor kelang)

3. Rit Anglong Arnam- It is also a household deity, but worshipped in the place where jhum cultivation is performed, and only the male folk eat the sacrificed which is fowl or goat once a year. It is performed to appease the deity living on the hills for a secured crop production. There is no fixed date of this rituals to be performed.

4. Volok Ase or Buichom or Chinthong Arnam- *Volok ase* is known to different name as Chinthong arnam and Buichom. It is also a household deity worshipped in *tikup* (space in front of the house). Generally Buichom is propitiated with the essence of white fowl and sometimes he-goat are also sacrificed. Volok ase is worshipped for peace and tranquility of the family and the village as a whole for co-existence with the neighbor.

5. Rongker-The *Rongker* is the annual religious festival. There are many types of *Rongker* as described below-

Than(Havar) Rongker, Pirda Rongker, Mavur Rongker, Vophong Rongker, Dengja Rongker and Tongrop Tongso Rongker. *Rongker* is performed to worship the local deities and others for the welfare of the people of the village. The worshipped of the deities differ from village to village.

6. Henn-up ahi kekan (Bamboo shoots festivals) and Hacha kekan (harvesting festival)

"Arkoi pen there

Sengkan Kachingbe

Chonglat nangkele

Arkli Hemphu pen Hemthe

Damsarta klem me"

"Chonglat" is the period between the months of January/March, after harvesting and before cultivation. The Karbi perform "Se-Karkli" (worship) to the Hemphu and other god and goddesses. Its happy time for youth to meet and marriage ceremonies etc. also held.

“Krok Chur ma Krok Chur

Kangreng vo Krokchur

Sengkan aborom nangvur”

When the ‘Vo Krokchur’(a small seasonal bird) crying on the trees, it’s a new year and season for cultivation on the hills side. The youth group Jirsong (name of the Karbi Traditional Youth collective cultivation) goes to cultivate on them with tools, weapons and ‘chenduruk’ (a small wooden drum). The ‘Jirsong’ of young boys and girls sowing and cultivating in a rhythm of ‘Ritnong Chingdi’ (Harvesting Dance) is accompanied by the playing of bamboo musical instrument ‘Chengkumbang’. The Phankri in the group is the only person to distribute betel-nut to them

As the cultivated seeds grow, unwanted weeds and plants are cleared. Then it is time for the Karbis to cut and collect bamboo shoots (hen-up). These are gathered and brought to the village in ‘ingtong’(a bamboo basket) the young boys and girls , then cut them into pieces and pound them in a mortar(Long) with a wooden prattle (Lengpum). The pounded bamboo shoots are stored in a bamboo basket and are called ‘Hen-up-ahi’ which is kept in the house of the village headman.

After a month or two the basket is opened by the headman in front of the villagers. Then the boys and girls perform the ceremonial dance ‘Hen-up-ahi kekan’, which is generally followed by heavy feast. The ‘Hen-up’ were then distributed amongst the villagers and is generally celebrated during the month of September and October.

As the paddy got ripen in November a small hut ‘mandu’ is constructed in the paddy field for stoking cut paddy called ‘sokbui’. It is then brought to the clearing called ‘Jimtim’ where the collected paddy trashed by wooden bittens. This is called ‘Sok-pam’. After the paddy bundled in ‘Mantung’ (a bag made of cloth) and is carried to the owner house, which is called ‘Sok-keroi’.

On completing the carrying of paddy, the ‘Hacha-kekan’ traditional dance is performed that very night till midnight and later only the boys dance to the song og ‘Lunse’. Before dancing a vegetable curry ‘Han-moi’ is cooked and brought before the Lucse. Salt andf other ingredients are added as the dance proceed. Girls serve the boys with ‘rice beer (‘Horpo’) from wedden container called ‘Sero’ and drink the rice beer and jumped upto dance. People feast after dancing.

7. Voloketer- This is also a seasonal festival generally celebrated before monsoon in the month of April. This is a very important religious festival performed by the chief priest called “Katharpo”. It is celebrated at Ronghang Rongbong, the Capital of Karbi Kingdom. The remarkable aspect of the festival is that it is connected with the legend of ‘Ha-i-mu’, sung by the chief priest. This song is prohibited to sing except on this particular occasion.

SACRAMENTAL FESTIVALS OF THE KARBIS

Right-de-passage of the Karbis are fabricated with certain significant festivals.

Birth: When a baby is born in a family it is very important to worshiped *Hemphu* for sanctification of the new born baby called “Klong-klo-athekar-kiti.” The birth of a child weather male or female is an occasion for joy in the family with the belief that a person who died earlier is supposed to be reborn in the same family.

Hence for a new born child the name giving ceremony, where the maternal uncle of the child takes the leading parts is the most important one. The maternal uncle takes a very small quantity of rice beer called horlang in a small container pours it in the mouth of a new born child drop by drop. If the baby is female the maternal uncle will utter the name of all the dead females of the family one by one associating a name with each drop. The name that will be associated with last drop will be automatically be the name of the female child.

Similar procedure of associating each drop of rice beer with the name of each dead male of the family is followed in case of name giving ceremony of a male child and the name associated with the last drop will determine the name of the newly born male baby.

Marriage: It is known as Adam Asar. A number of rituals are performed to protect the ceremony from the evil effect and to secure the future of the newly married couple.

Chomangkan: Chomangkan is a celebration of death. Karhi is an ambodiment of the Karbi cultural edifice.'Charhepi' the dominant female character of the festivities. Death to a Karbi is only a transaction to a new identity, both spiritually and physically- through time and space. A mother is reborn to her brother as daughter and a father to his son as son- reliving the genetic relation.

Karbi folksongs are generally repetitive, lengthy and almost monophonic and first time listeners may find it difficult to admire the aesthetic and cultural values they embody.

In traditional Karbi society, every occasion is a ritual and every ritual is an occasion. And there are as many incantations or hymns as there are rituals.

ORIGIN OF FOLK CULTURE IN KARBI SOCIETY

It is a believe of Karbi people that song and music are a gift of the almighty. Therefore, song and music are the ritual creation of god. There is a folk song among the Karbis, which gives glimpses of how song and music first began.

“Ru pen ri chethan palamo

Pirbita avelang ako

Karbi kave lun tomo

Chephong Teron ronsopo

Nangklang musilok sarpo

Karbi nim-rokom kecho

Dam kung apokle papho

Papho kadeng phong meso

Nangkoibeng alun hangjo

Anta lun kan aron do”.

Gist of the verses: There is a folk tale that is often recounted by fathers and mothers. When the earth was young, the Karbis did not have song and music. However, there was a village named ‘Teron Rongsopi’ there appeared ‘Musilok Sarpo’ when the village ‘Klengsarpo’ was busy arranging a ceremony with his subjects without having songs and music. The ritual was held beneath the wild jack fruit tree, half burn by fire. It was said the ritual was performed graciously It is believed music and song were first brought to the Karbis by two brothers, namely Seng Mirjeng and Long Merjeng sent to earth by the good of heaven. It is describe below:

“Songsar ahukum tangho Mirjeng atum pososo

Sengmirjeng pen Mirdan rongso

Seng parjan po soso

Longjing pamahurado

Karlu phong loring angno”

It was believed that the twins sons of gods of heaven descended from heaven to earth in the guise of little orphan boys. The orphans looked pitiable and dirty with snotty noses.

Apart from that folklore like the ‘Lunse Keplang’ describes the origin of the singers and songs. This narrative belongs to ‘metafolklore’, first conceived by Alan Dundes as an oral literary criticism which would help elucidate the meaning of other folklore

According to Dr. Majunder and other anthropologists opined that tribal artistic life reflected mainly in three froms of their art:

1. Oral Literature.
2. Magic and Dance.
3. Art and Dancing.

The above classification has excluded the folk artisan, craft, acrobatics etc. The artistic life of the tribals includes in itself thee following forms:

1. FOLKLORE

The folklore is the oral literature of the simpler societies and perpetuated by oral traditions. There is actually no technique, connected with the making and sings of songs. They are learnt by ear, and transmitted in this fashion from generation to generation. Nor is there a conscious awareness of form or construction on the part of the folk-singer or folk-letter, there is no aesthetic or analytic theory in his hand.

2. FOLK MUSIC AND DANCE

Folk-songs, music and dance of the tribals are a composite whole which is one of the dominant characteristic of their culture. In folk-songs, verse and music go together and the musical aspect is much more reflected in practice. The folk-poetry is merely a vehicle for the folk tune. The tribal people go on singing a small poem of four to eight lines for hours together with the help of folk-music. The simple catchy folk-tunes conveying the feelings and sentiments of their ancestors, their lives and thought, their activities and achievement, their morals and discipline are of great value.

The songs are of several kinds. There are life-cycle songs sung at different occasions like birth, marriage and death: moral songs, teaching morals, dealing with different seasons like the spring, the rains, etc., occasional songs, associated with festivals and religious songs sung at the time of offerings to deities. Again there are working songs which help in synchronizing the work. There are also songs of historical importance, which through their simple tunes can enlighten the tender minds with the tough subject of history, in the easiest manner. Moreover, such historical songs, narrating small stories, the heroic deeds of great heroes, especially the heroes of the past, are more interesting to the younger generation. There are songs for developing the intellectual capacity of the children, for instance, the songs for games, the riddle songs etc.

Folk-songs may be classified on the basis of the number of singers. According to this term of reference the tribal folk-songs fall under three heads:

Groups Songs: These are generally sung by a group of dancers or a group of tribal people working together in the fields generally at the time of sowing and harvesting.

Couple Songs: The second category of folk-songs is sung by the couple singers who constitute a very small part of the tribal India.

Single Songs: The third category is represented by a single singer who is common in the tribal population.

The folk dances in terms of formation can be classified into the followings:

Group Dances: In group dances, the dancers are linked to one another in certain manner by hands, by the waist or shoulders. The best known are those in the shape of a circle or column.

Couple Dances: These can evolve in column formation or freely, without any special formation. Generally speaking, the revolving in couples prevails the girls make pirouettes and men virtuosity movements.

Sacred Dance: The sacred encircling dance is perhaps the most common among the tribals. The object which it is performed is a scared one, an idol, an altar, a sacrificial victim, a holy tree, or a well. But the more usual ritual for making the crops grow is the sacred dance round a tree.

A number of dances of the forest tribes are ritualistic in origin, devised mainly for the propitiation of hill gods, and ancestors spirits. The gods held in reverence range from stones, trees, crests of hills, etc.

Funeral Dance: Dancing at the death of a person is prevalent among several tribes. It is a common among many tribal groups which is part of the ritual. It is believed among the tribal groups that this dance is a way to help the departed soul to reach to the land of the ancestors.

Karbi folk tales form an important genre. This oral art telling according to Stith Thompson, is far older than history, and it is not bounded by one continent or one civilization. Stories may differ from in subject from place to place, the condition and purposes of tale-telling may change as we move from land to land or from century to century, and yet everywhere it ministers to the same basic social and individual needs.

DIFFERENT SOCIAL CEREMONIES ASSOCIATED WITH FOLK MUSICAL DANCE

1. Chong Kedam: The dance is performed during Chomkan. In this dance it is performed using swords and shields in hands of the dancers and performed by the males only which performed with the beat of the Chengpi (Big Drum). In the Chong Kedam two types of dances are performed Chongso kedam and Chongpi kedam. This dance is performed in memory of the great brave sacrificed or Martyr for the noble cause of the Karbi society. Through this dance it is a call for the Youth to be brave, bold and fight all the enemies to protect themselves as like their ancestors. This dance is performed on beat of the drum played by the Duhuidi (expert drummer). No song is associated in this dance.

2. Nimso Kerung: It is a dance for the departed soul during the ceremony of Chomkan. A group of boys and girls with songs, drums, Moritongpo (Flute made of Buffalo's horn) and Mori Jangkek (made of Bamboo) dance with the beat of the drum. In this dance only the boys are allowed to sing. This dance is commemorated to Jili and Larta, the two ladies the first to dance in Karbi society. This dance is a lesson giving dance to the youth

specially to the Karbi women to take part with the Karbi men in every walk of life joining hand in hand in love for the future generation. As the dance itself is dance by crossing the hands of both the boys and girls form behind of each other.

For this dance the male wear a Karbi traditional jacket, Pa-selang wore below the waist called as Ri-kong and Po-ho around his head. The female wear Pini, Pe-kok, Wam-Kok, Rup-Jaigsai (Necklace made of pennies).

3. Banjar Kekan: It is also a dance performed in the social death ceremony. This dance is performed by male during Chomkan ceremony rehearsing the art of making house from starting to end so as to impact education to the next generation. A part from being the head of the family in future every individual in the society must have the knowledge of making a house and protect the family and the society from the natural calamities either no song and music is followed in this dance. The dancers dance in voices dancing around the bamboo pole with small bamboo pieces. The name of Haija Bey (Thireng Vangreng) who introduced Chomkan in the Karbi society is taken in the process.

4. Botor Kekur: According to him Botor Kekur is the religious festival associated to agriculture. This religious festival is conducted for good season and for the good harvest all through the year. This religious festival for agriculture season is conducted in the month of March. In this religious festival offering and chanting are made to 'Ha-i' who is regarded as the 'Goddess of Season'.

5. Hacha Kekan: It is celebrated when the annual harvest is boarded to home. The ritual involves the ritual of singing the song '*Rongkim Alun*' (song of origin of the first Karbi village).

There are two types of Hacha kekan, one celebrated in the month of between December and January on the other hand second one is celebrated in the month of September. The dance celebrated in the month of between December and January is known as Sokroi kekan (Dancing while picking the grains) and the other celebrated in September is called Hen-up ahi ke-en kekan (Dancing while carrying the Bamboo shoot). It is a ritual harvesting of bamboo-shoot by the entire village community. In this ritual a huge bamboo basket (Hen-up ahi) is crafted and erected in the middle of a village where the bamboo-shoot chopped into smaller pieces, are collected. A pig is sacrificed, cleaned and shoved into the basket. This is left for until the next festival of Hen-up ahi kekan is celebrated. The bamboo-shoot and the meat are distributed to the village heads, 'HABE' provincial governor etc. a ritual fest follows soon after. Ritual songs and dances are performed by young girls and boys

Hence, Hacha kekan is the festival of the farmers in which they praise and thank the god almighty and try to share their happiness among themselves after getting wed rewarded for their hard labour.

The young men wear the shirt called 'Choi-hongthor' and loin cloth called Rikong. Girl generally use pini kamplak, a piece of cloth tied around the waist like a sarong. A piece of artistic cloth is used by them to cover the upper part of their body and it is called Pekok. An intricately women waist with artistic motif called Vamkok is also used by carry woman and girl.

6. Chomkan: Karbi people celebrate Chomkan with a great festival mood. It is also known as Chomkan or Sokepamparin, which means dancing for the departed souls. There is difference of opinions among the scholars regarding the origin of the ritual. According to Barelong Timung, in the groups dances organized by the lamas of Tibet, and still perform the very group dance in the similar fashion in the form of Chomkan. Therefore, it becomes evident that Karbis are continuing the dance, which they used to performed while they were still in Tibet. But according to Samson Sing Teron as Chomkan seems to be influenced by the Khasi dance style, he concludes that Karbis must have had borrowed this style from the Khasi. But this motion also appears to be wrong. The very word Choma means region of yama, the dead god and kan means dance, so it should be taken as a dance from dedicated to the departed souls.

It is said that earlier Chomkan was celebrated within the 7-8 years after the death of some individuals. But these days its beyond the reach of each and every Karbi on account of its being very costly.

Date of funeral ceremony is decided after proper consultation with the relatives, village headman and other senior member of the village. Arrangements are made to make everyone informed about the date of the ceremony. Drum is beaten at the home of the family performing the ceremony every day at a fixed time, along with that some people also practice dance and singing as a part of the preparation of the ceremony to be observed.

There are three types of Chomkans to be celebrated namely- Kanphla-phla, Langtuk kekan and Harne. All the three types are observed three days each, three or four people are mainly entrusted with the proper conduction of this ceremony, viz. Charhepi (singing women) Uchehi (Lady who arranges the clothes and prepous food for the

people whom this ceremony is meant), Ulrikabi (maid who used to serve the dead) and chief drum beater-Dihuidi.

Singing women plays significance role in the ceremony and while singing the songs changes the theme as the rituals proceeds. It is said that, the singing women shows the way to the souls of the dead for whom funeral ceremony is meant and hence also known as the path shower towards the original abode of the dead spirits.

Chomkan can be observed in Karbi society, Karbis believe that, after death, soul are supported to reach the heaven but until the funeral ceremony is performed their soul cannot enter the by villages and the cities. It is also believed that without funeral ceremony spirits wonder here and there. Hence Chomkan is performed in order to facilitate the entry of the spirit in their original village and city (heaven and for their peace).

MUSICAL IMPLEMENTS

Cheng: It is the main folk musical instrument of the Karbis. It is made from the Phang tree (Gmelina arborea tree). It is crafted hollow in the inside living both side of the timber open so the sound wave could vibrate inside to produce sound. One end of the whole is made bigger in circumference and the other end smaller than the other in circumference. Then the skin of the Cow, Deer, Stag, Elephant, Rhino and Wild Buffalo as leather is used to cover both the whole of the drum where the Dihuidi (expert drummer) hit it with the 'CHENGBE' (the drum stick).

The Chengpi is the main musical instrument which is used to performe the Chomkan ritual with the Chengpi the ritual cannot be conducted.

Chengso: It is made of copper and it produce a very sharp sound. It is just smaller a version of a cymbal used in the drum of western culture. The Chengso is played with the beat of the Chengpi. It is played during the Chomkan and it is said that it should be played by the female only. It shape is just like of a ladies hat with the middle portion of the curved out and a hollow in the inside. To pieces of the Chengso is taken together always. It is played by striking to each other which produce a sharp vibrating sound of a metal. It is played by a female during the ritualistic performance of the Chomkan.

Chengburup: It is made from the tress like Phang, Bengvoi, Phong, Hokon and Hai. Since the ancient time the Chengburup had been the musical instrument associated with the youth. It is used mainly during the time when the youth go for work in groups to help a member of the community in time of cultivation or harvesting the crops or preparation of house etc. It is also played in the time of some social meet of the Habe-haren, Dili-pator, etc. The Chengburup is the smaller class of drum. Its shape some what that of a trophy cup with a bigger hitting surface and cylindrical at the bottom. The hitting surface is made of the skin of cow, goat, deer, stag etc. The drum stick can be made of bamboo by folding one end make it a 'J' shape and two drum sticks are used for playing it.

Chengkumbang: It is a drum made from Kaipho or Chek (Bamboo). This particular drum Chengkumbang is usually played during Ritnongchingdi (Festival of Cultivation), Hacha Kekan, Kamme and Lengpum Sokchon. The Chengkumbang cannot produce sounds, it can produces only one sound. The Chengkumbang is made by taking a piece of bamboo is shield from both end and the upper layer of the bamboo is peel very thinly making a kind of a string but not taking it out completely from the bamboo. Here both side of layer of bamboo must remain attached. Just like another layer is taken from the same bamboo making two layer of string keeping it in a parallel distance from one another. Then a piece of wood is use to make the string tighten by placing the piece of wood beneath the string. As a result of the tension produce by piece of wood the sound of the Chengkumbang can be raise or lower the pitch. As the Chengkumbang produces no different sound it is mainly used to give timing to song and dances only.

Chenglangpong: It is also made from Kaipho and Tereng (bamboo). Chenglangpong is prepared by taking a bigger size of bamboo and cut it into like a pipe living both ends open. Again in the same way another bamboo is cut like a pipe living both ends open but keep shorter in length than the other. Chenglangpong is played by holding both the bamboo pipe in vertical position hitting both the bamboo pipes on to the ground which produce sound. just like the Chengkumbang it has only one sound no different sound can be produce. It is played along with the beat of the or timing of the song or dance.

Mori Tongpo: It is a combination of two flute joined together. One flute like the usual flute used by everyone but the other part, the front part is different. The front part is made of hard timber in the shape of cone with the face circumference bigger in size and gradually deceasing the size to match the size of the other flute to joined properly. The wood hollow on the inside and joined by another flute the blowing part made from Inghin or

Kaipho (bamboo). Another version of Moritongpo is made from the horn of the buffalo in place of the wooded pipe like the earlier. Here instead of the hollow wood pipe the horn of a buffalo or wild buffalo is used.

Mori Jangkek: It is also another form of flute prepared from a wood which looks like the horn of a wild Buffalo. It is curved out of wood making output side of the flute bigger in circumference and through with the played smaller and is made from bamboo which is joined together. It is played during the time of Chomkan, Nimso Kerung and during singing of Jili alun and Bong-oi alun (love song).

Pongsi: It is just like the other flute played by musicians. It is made up of the bottom part of bamboo. A Inghin or Tereng which is selected for preparation of it. It can be played with any songs with Ka-charhe, kapacha alun, Bong-oi alun, Bor-et alun etc.

Kum Li-Eng: Kum li-eng traditional Karbi one stringed violin. It is made from a bottle gourd. The bottle gourd is dried by taking out all its inner muscle then the neck of the bottle cut in a round shape keep only the bottom portion. A bar made from bamboo is inserted through the gourd and the hollow mouth of the bottle gourd is covered by a thin layer of wood. Then a string made from the upper layer of skin of Mengsori or Jinsikong which made like a rope. This rope made from Mengsori or Jinsikong is tied one on the top of the bar and one end to the bottom of the bar then a thin layer of wood is placed on top of the bottle gourd just near to the bottom part of the bar to act like a bridge just like the western violin this gives the string of the violin required tension to produce the correct tune. It is played with a bow like instrument holding with right hand and placing the left hand finger onto the string just like playing the western violin.

Kum Dengdong: Kum dengdong traditional Karbi two string violin. It is made soft and lesser weight tree. The bar and bale of the violin all made from one piece of wood. The bottom part of the violin is totally made hollow and the skin of cow, deer, buffalo etc is used cover hollow part of the violin. The strings made from Mengsori or Jinsikong is taken tied one end to a nod made from wood inserted to neck just like that of a guitar and one end of the string is tied at the bottom part of the bar. A bridge made from a thin layer of bamboo or wood is used to give a little raise to the strings. It is played with right hand finger and placing the left hand finger on top of the string on the bar.

GENERAL OBSERVATION

Society is the complex network of social relationships. The series of interactions between person to person lead towards a cumulative approach for the achievements of better ways of livelihood as well as development. The human society is keenly interwoven with the cultural aspects. Culture helps to accumulate the daily livelihood requirements and means of survival in fashioned aggregate. The norms, values and customs related with the cultural aspects control the human life and their social behaviour. Every society is exposed to an environmental milieu and it is the main resource from where the concerned individuals can accumulate their requirements. Culture controls the social behaviour of human beings and it is keenly related with the environment. The ample production of environment control the economic backbone, material needs of the society in diversified ways and it is also related with their rituals and customs. It is well observed among the tribals in various ways. The tribal society worship the nature as their mother and the impact of environment on their social, economic and cultural life can be noticed from several dimensions. Being closely surrounded in the lap of nature the tribals' cultural performances like songs, dances, proverbs, riddles are the reflection of their interaction with the environment. Folk cultural traditions are the note of their social solidarity and community consensus. The folk tunes reflect the beauty of nature and simultaneously it is the prayer for the prosperity and welfare of the entire society. Being closely related with nature and environment their folk cultural practices are not only for recreation, there are also the devotion and obedience to the nature. In this way they offer their prayer to nature for protecting their property and wealth as well as to provide the continuous resource of natural products to them. Folk culture does not imply only the artistic activities and musical performances of the tribals; rather it bears a much wider aspect. The folk lyrics denote the collection and accumulation of the natural products to provide the requirements for the entire community members. The folk cultural heritages are keenly related with the knowledge and practices that how the environment can protect the daily livelihood of the tribals and how they should utilize the natural resources in this concern. It prevents them from the wastage of raw materials and to redress environmental degradation as a whole. At present the environmental degradation and sustainable development has become a global emerging issue. In this concern we can apply the knowledge of the tribals for environmental preservation as well as to protect the environment from its gradual degradation and sustain it for our improvement. The tribal concept of environmental preservation may have some regional variation but the key concept lies to the issues of safety and security of the environment all together.

The livelihood, culture and economy of the Karbis are intimately related with environmental resources. Naturally for the security of livelihood they used to appease the natural forces to act in benevolence. In their rituals different natural resources were plays the role of material cultural offering. Their folk cultural tradition reflects the beautification of nature and it reflects their cognition of surrounding nature and its cultural assimilation with their livelihood. Their folk festivals reflect the community integrity and it is the method of devotion which is being collectively done by all the community members. Thus it can be summarized that the festivals of the Karbi people reflects their interaction with the nature and it is intimately a part of their cultural cognition. Their aesthetic mind reflects their devotion to the power superior and it is intimately associated with natural forces and supernatural agencies that are believed to control their sustainability and well being. Thus among them environment, cultural cognition and festivals are intimately associated with one another.

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IMPACT OF PERFORMANCE APPRAISAL ON EMPLOYEE SATISFACTION –A STUDY

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ABSTRACT

There has been a general consensus in the belief that PAs lead to positive implications of organizations. Furthermore, PAs can benefit an organization's effectiveness. One way is PAs can often lead to giving individual workers feedback about their job performance. In this dynamic and ever exponentially changing global market, nothing can be measured with accuracy because business world made market attributes volatile. In the complex business world, human beings are the most valuable assets. Human resources attitude is also volatile as subjected to many experiences and situations. In such scenario, one needs to measure how Human Resources perform for the purpose of reward, assessment and knowledge. The tools & techniques innovated for measuring human productivity and performance with respect to the required capability, intellect and experience is under an umbrella named Performance Appraisal System. No single Performance Appraisal system can assure the reliability of its results. PAS can only be performed as impartial as possible by choosing the best fit method out of trending ones. Performance appraisal process is a continuous process to monitor the actual performance of the employee i.e the work done by the employees throughout the year. In this stage careful selection of the appropriate techniques of measurement such as personal observation, statistical reports, and written reports for measuring the performance is needed. This paper attempts to explain PAS followed in HSL.

Keywords: Performance Appraisal System, Orientation, Accomplishment, Potential

INTRODUCTION

A performance appraisal (PA), also referred to as a performance review, performance evaluation, (career) development discussion, or employee appraisal is a method by which the job performance of an employee is documented and evaluated. Performance appraisals are a part of career development and consist of regular reviews of employee performance within organizations. A performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. Other aspects of individual employees are considered as well, such as organizational citizenship behavior, accomplishments, potential for future improvement, strengths and weaknesses, etc. Performance management systems are employed "to manage and align" all of an organization's resources in order to achieve highest possible performance. "How performance is managed in an organization determines to a large extent the success or failure of the organization. Therefore, improving PA for everyone should be among the highest priorities of contemporary organizations". Some applications of PA are compensation, performance improvement, promotions, termination, test validation, and more. While there are many potential benefits of PA, there are also some potential drawbacks. For example, PA can help

Facilitate management-employee communication; however, PA may result in legal issues if not executed appropriately, as many employees tend to be unsatisfied with the PA process. PAs created in and determined as useful in the United States are not necessarily able to be transferable cross-culturally. There are a number of potential benefits of organizational performance management conducting formal performance appraisals Systems (PAS). There has been a general consensus in the belief that PAs lead to positive implications of organizations. Furthermore, PAs can benefit an organization's effectiveness. One way is PAs can often lead to giving individual workers feedback about their job performance. From this may spawn several potential benefits such as the individual workers becoming more productive.

OBJECTIVES OF THE STUDY

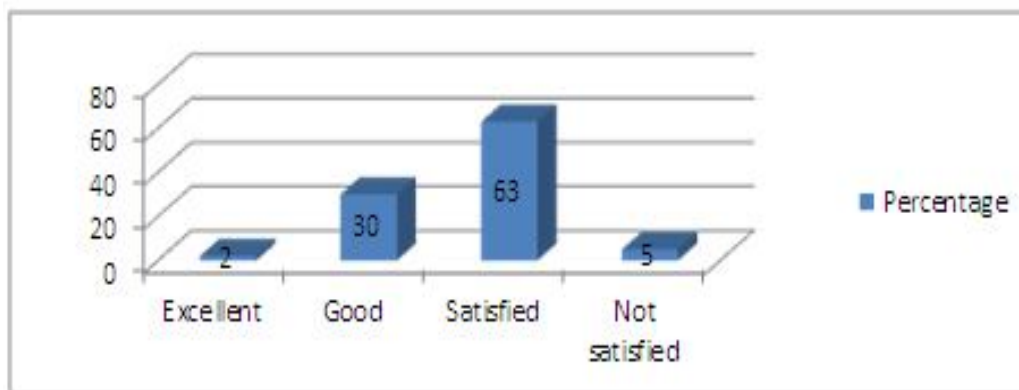
1. To examine and existing methods of performance appraisal in India
2. To study the impact of performance appraisal on employee satisfaction in HSL
3. To analyze the perceptions of respondents regarding impact of performance appraisal on employee satisfaction in HSL

METHODOLOGY OF THE STUDY

The topic of the research is straight forwardly related to the employees of Hindustan Shipyard Limited, Visakhapatnam. It is necessary that they should be made aware of using performance appraisal in an organization. In this research study, the data was collected from the 350 respondents HSL Visakhapatnam through questionnaire.

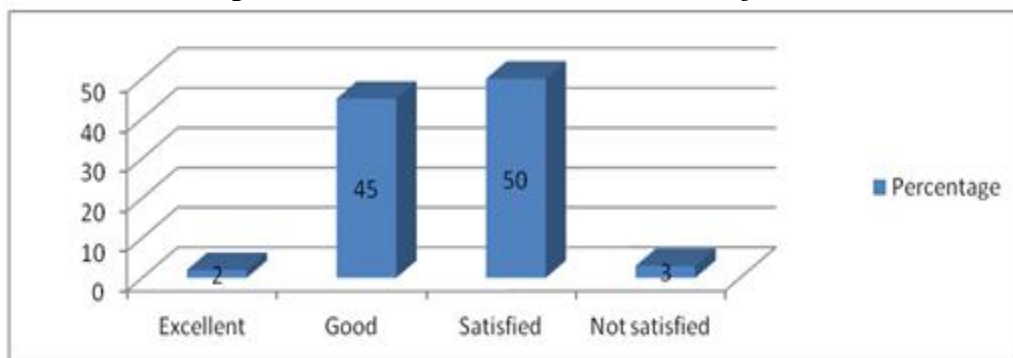
DATA ANALYSIS

Figure -1: The performance review system at HSL



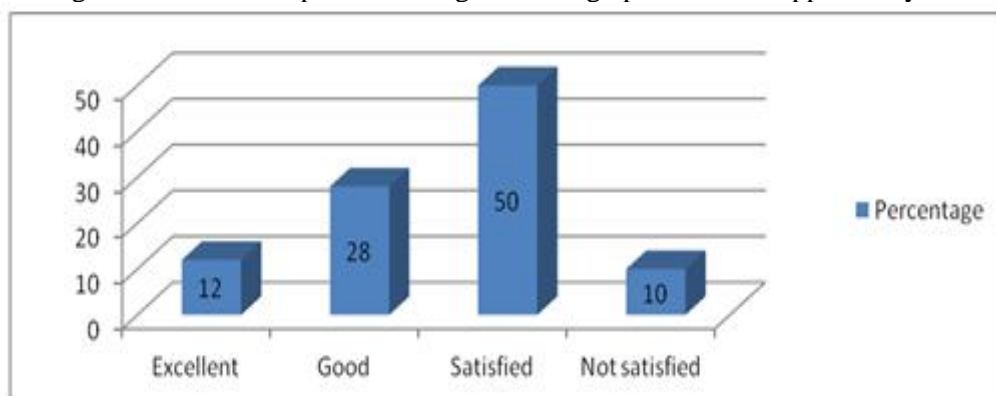
Interpretation: Many employees are just satisfied with the performance review systems at HSL. Studies have shown that appraiser bias is often a problem in government and public sector organizations. From the above table we can infer that the responses about the performance review system are above the satisfactory level and 5% of them have responded that they are not satisfied.

Figure -2: Role of PAS for achievement of objectives



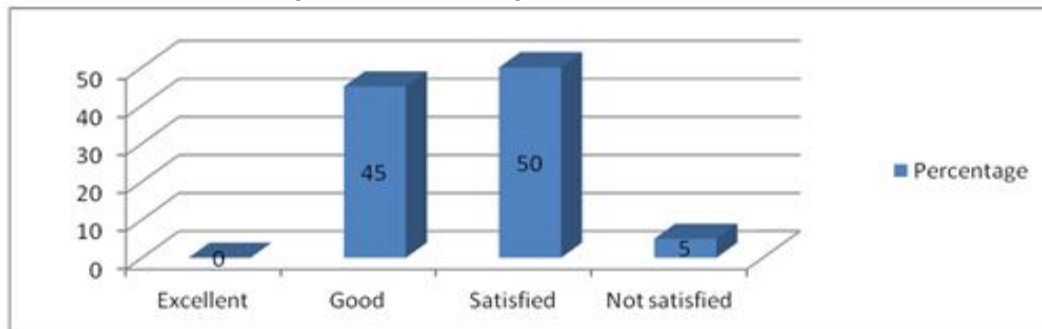
Interpretation: Performance management at HSL aims at building a high performance culture for both the individuals and the teams so that they jointly take the responsibility of improving the business processes on a continuous basis and at the same time raise the competence bar by upgrading their own skills within a leadership framework. By interpreting the above data we can surely say that the majority of the respondents are above satisfactory level about the role of Performance appraisal system for achievement of objectives and negligible percentage of respondents are not satisfied.

Figure -3: The accomplishment of goals through performance appraisal system



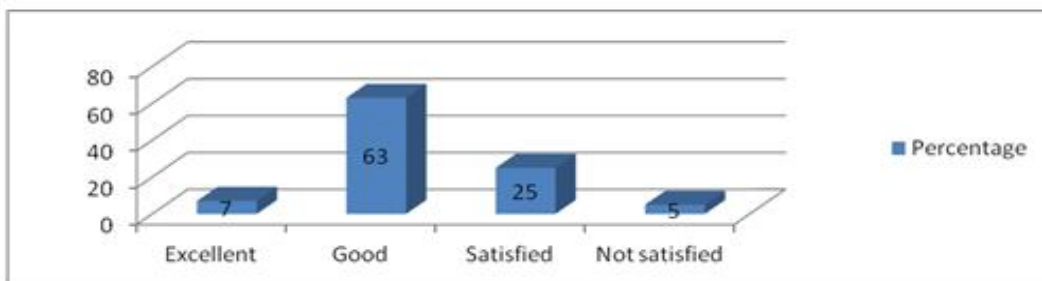
Interpretation: According to 10% of respondents at HSL performance appraisal system lacks in clarity, openness and fairness. So accomplishment of goal through performance evaluation would be complex process. From the above table we can infer that the respondents regarding the accomplishment of goals through performance appraisal system at HSL is above the satisfaction level i.e. 50%, but 10% are below satisfaction level.

Figure -4: The Management involves in PAS



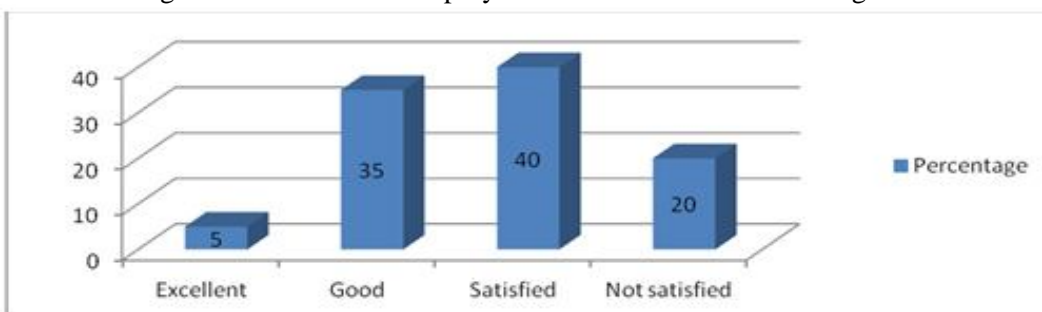
Interpretation: Managers involved in the performance appraisal system assume responsibility for all the evaluation steps like orientation, training and development, feedback and annual appraisal. The above table depicts respondents view point to the extent of management involvement in performance appraisal system at HSL. 45% of them expressed that they are good, 50% are satisfied and 5% are not satisfied.

Figure -5: The interpersonal skills enhancement took place through PA



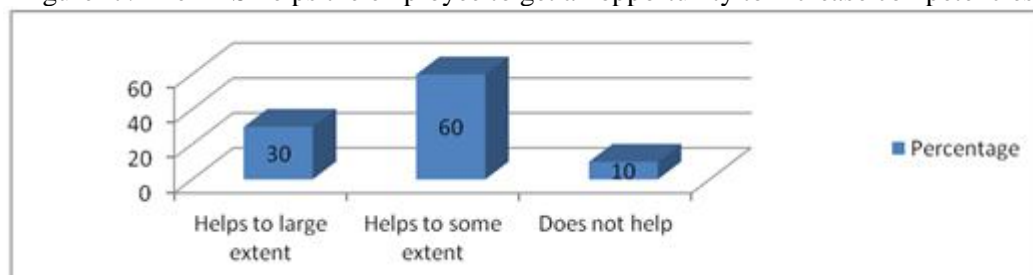
Interpretation: One of the most important and basic skills that every employee should have is interpersonal skill. Employees at HSL have the ability to get on well with people around and work cooperatively to get the job done. From the above table we can surely say that the majority of the respondents agreed that the improvement level of the employee interpersonal skills are 63%, 25% are satisfied.

Figure -6: The level of employee satisfaction with the existing PAS



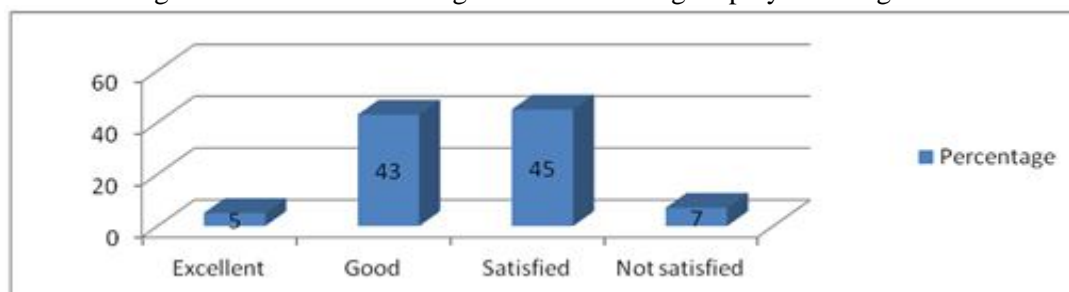
Interpretation: Performance appraisal is a yearly rite of passage in organizations. At HSL poor communication during formal feedback session and poor informal feedback are the reasons for employee dissatisfaction with the existing performance appraisal system. From the above table depicts respondents view point to the employee satisfaction survey with the existing performance appraisal system is 35% good, 40% are above satisfaction lever but 20% are below satisfaction level.

Figure -7: The PAS helps the employee to get an opportunity to increase competencies



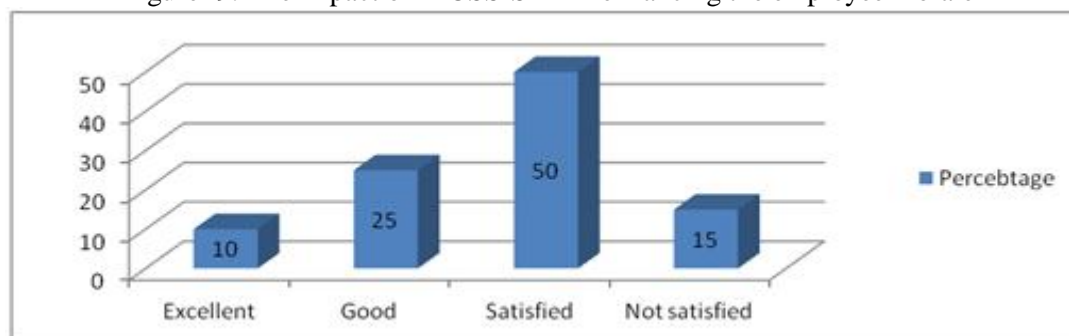
Interpretation: At HSL, annual reviews are conducted instead of ongoing reviews. 10% of respondent says performance appraisal system does not help the employee to get an opportunity to acquire competencies. In my point of view manager conducting an annual review can fail to address problematic issues that occurred 10 months prior to the review, which doesn't help employee understand how to improve his performance in those areas. From the above analysis the 60% of performance appraisal system helps to some extent to employee to increase his/her acquired competencies.

Figure -8: The method being used for assessing employee through PAS



Interpretation: By analyzing the information given above, we can say that 40% of respondents agreed that the method used in HSL for assessing the employee is good and 7% are below the satisfaction level.

Figure -9: The impact of 'BOSSISM' in enhancing the employee morale



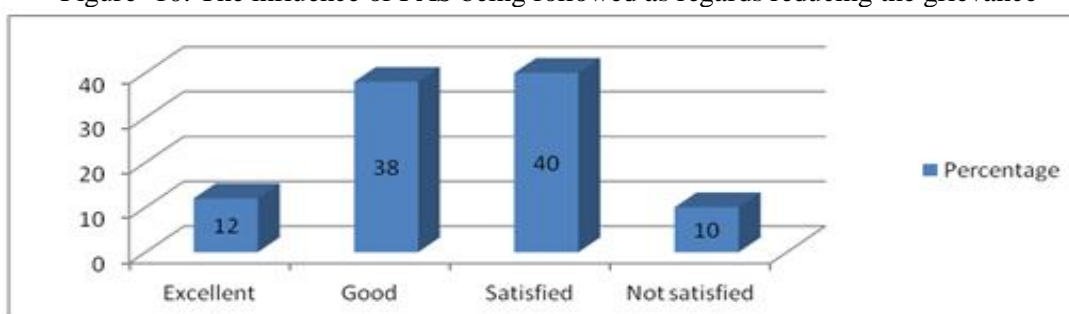
Interpretation: When the boss and employee have different perceptions of the employee's responsibilities, performance review can end in frustrations for both sides.

Boss has to ask himself three questions to enhance the employee morale:

- What would help this employee excel in the job?
- What can I do to encourage progress?
- What will the employee need to grow and improve?

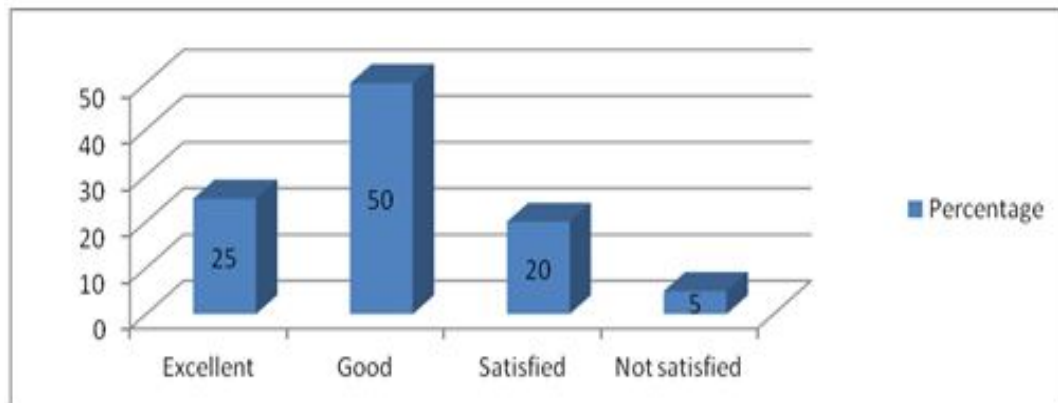
From the above table we can surely say that the respondents agreed that the impact of BOSSISM in enhancing employee morale is 50% are above satisfaction level, but 15% are below satisfaction level.

Figure -10: The influence of PAS being followed as regards reducing the grievance



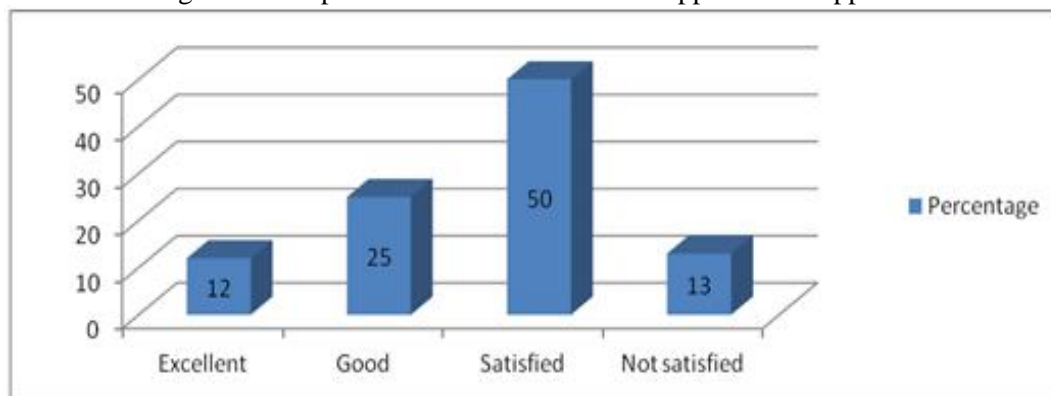
Interpretation: 10% of the respondents says that performance appraisal have no impact on reducing the grievance, as some employees may be favored unduly over others by exhibiting negative biases. From the above table depicted respondents view point to the reduction of employee grievance is 38% good, 40% are above satisfaction level.

Figure -11: The role (transparency) of appraiser officer in assessing the employee



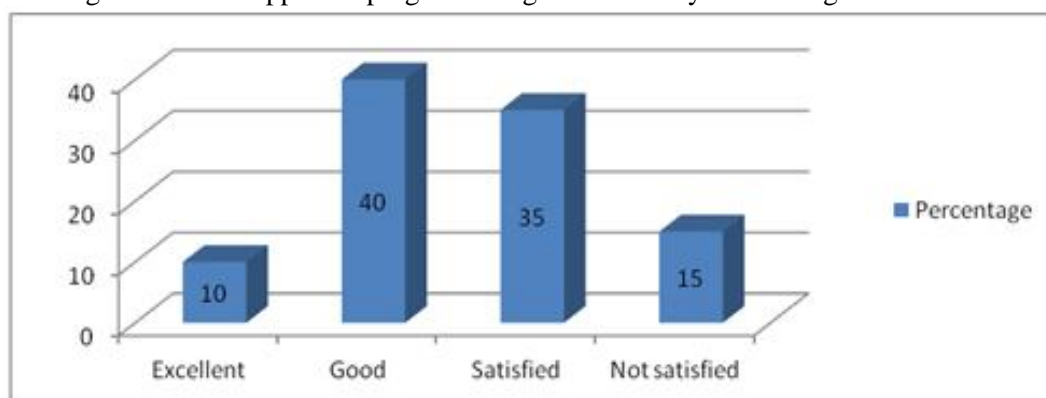
Interpretation: The role of reporting officer is to adjudge the performance of employees every year in the areas of their work, conduct, character and capabilities. From the above table we can surely say that majority of respondents agreed that reporting officer have a role in assessing employee i.e. 50% good, 25% are excellent and 20% are above satisfaction level.

Figure -12: Open communication between appraise and appraiser



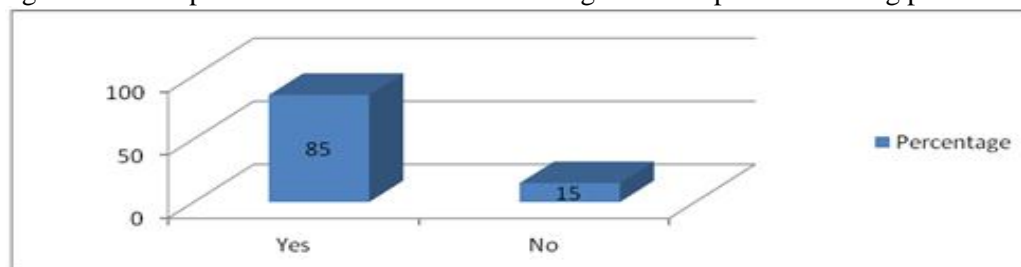
Interpretation: If employees enter into the performance appraisal process willing to defend their own positions in factual and fair way, and to work with managers, the process can become more pleasant. If not it can become a war. In general employees are not satisfied with open communication due to their defensive nature. From the above tabulation we can say that 50% of them are satisfied and 13 of them are not satisfied with the open communication between appraise and appraiser.

Figure -13: The appraisal program being conducted by controlling officer for PA



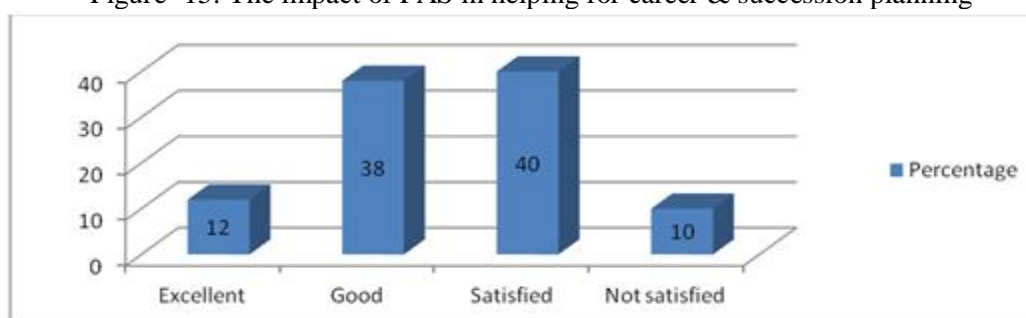
Interpretation: A new performance culture is being created with greater emphasis on the importance of the motivation, development and optimal utilization of human resources, towards the achievement of a client focused and results oriented public service. Dissatisfaction might be caused if the process is poorly structured. At HSL top performers see no differentiation in performance ratings, opportunities and compensation from under performers. By analyzing the information given above 40% of respondents agreed that the appraisal program conducted by controlling officer is good, 35% are above satisfaction level and 15% are not satisfied.

Figure -14: The periodic reviews conducted through PAS helps in evaluating performance



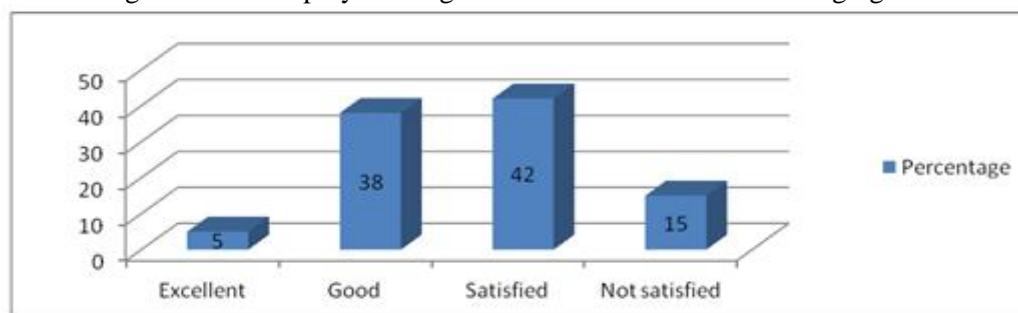
Interpretation: The primary purpose of the performance evaluation is to provide an opportunity for open communication about performance expectation and feedback. But at HSL due to defensive nature of employees 15% of respondents say that performance appraisal does not help in evaluating employee performance. Where as 85% of respondents agreed that the reviews conducted helps in evaluating employee performance.

Figure -15: The impact of PAS in helping for career & succession planning



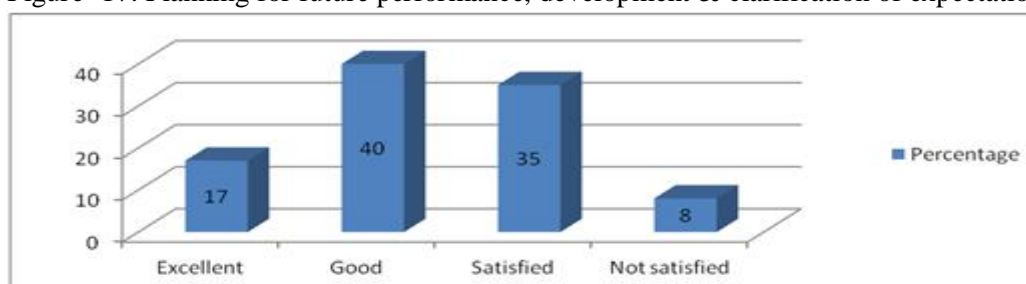
Interpretation: By using a performance appraisal system organizations can put their employees on the track to increased productivity and keep them there, with increased visibility of company goals. From the above table we can infer that 40% of respondents agreed that the appraisal system helps the employee for his/her career planning & succession planning.

Figure -16: Is employee recognition based on a fair & encouraging PAS



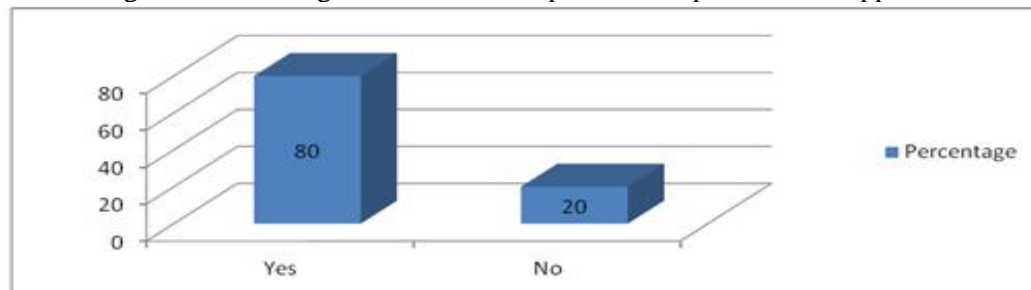
Interpretation: Employee recognition based on fair performance appraisal system can provide benefits like engagement, manage culture, manage talent, reduce turnover. At HSL 15% of the employees are not satisfied with employee recognition based on performance appraisal system appraiser bias is often a problem in government and public sector organizations. From the above table we can infer that the respondents regarding employee recognition is based on a fair & encouraging performance appraisal system at HSL are mostly satisfied.

Figure -17: Planning for future performance, development & clarification of expectations



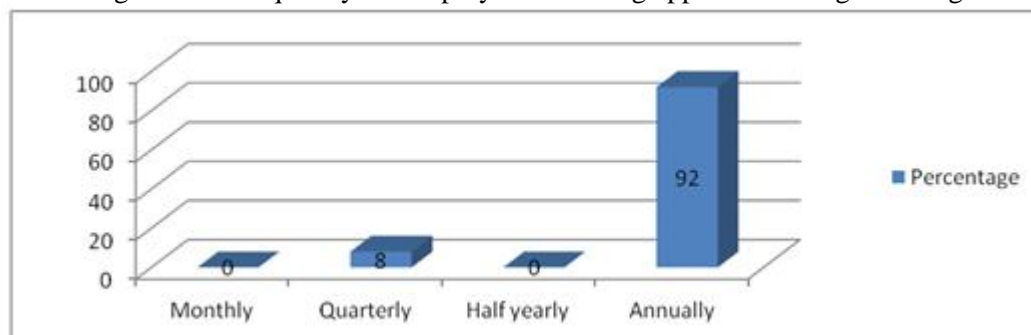
Interpretation: Performance appraisal deals with setting standards and measuring the achieved performance standards. It deals with future performance, development and clarification of expectations towards employee. From the above table we can infer that the respondents regarding planning for future performance, development & clarification of expectation is above the satisfaction level.

Figure -18: 360 degree feedback to implement for performance appraisal



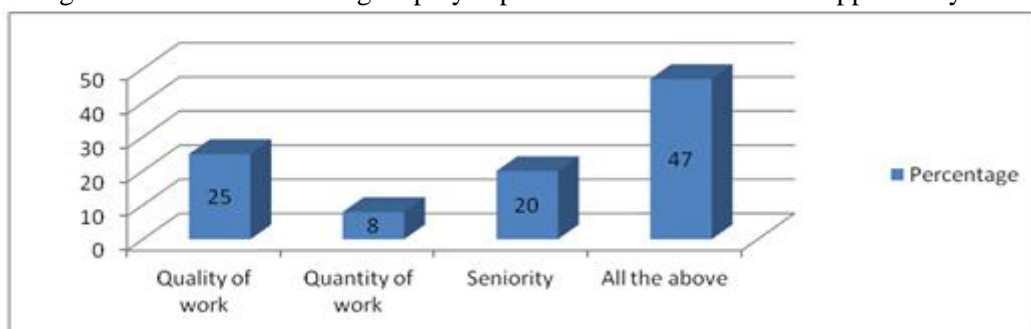
Interpretation: 80% of the respondents agreed that 360 degree appraisal method is the most comprehensive appraisal where the feedback about the employee performance comes from all sources that come in contact with the employee on his/her job. 20% said no because frank and honest opinion may not be received, this is a criticism of 360 degree appraisal method.

Figure -19: Frequently the employees are being appraised through training



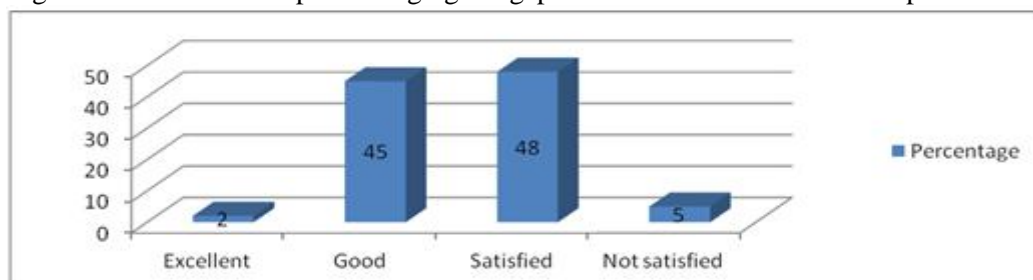
Interpretation: By analyzing the above given information the majority of respondents agreed that the employee are annually being appraised through training.

Figure -20: Factors effecting employee performance assessment in appraisal system



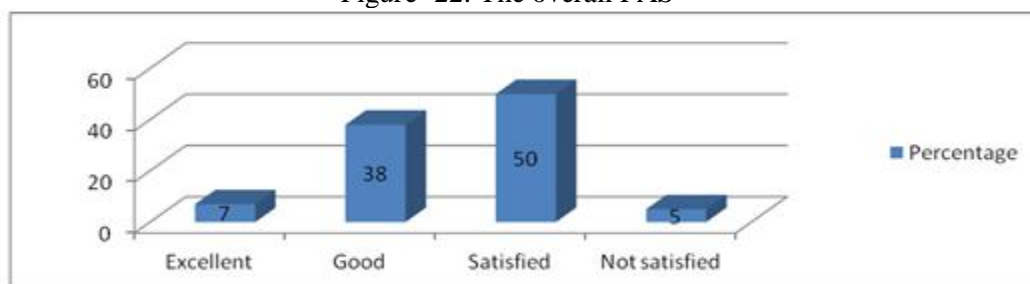
Interpretation: From the above analysis majority of respondents agreed that all the above factors affect the employee performance assessment in appraisal system.

Figure -21: The PAS helps in bridging the gap between the actual & desired performance



Interpretation: The main objective of performance appraisal is to review the performance of the employees over a given period of time and to judge the gap between the actual and the desired performance. Majority of the employees responded that performance appraisal at HSL helps in judging the gap between the actual & desired performance of employee. 48% of respondents are satisfied with performance appraisal system.

Figure -22: The overall PAS



Interpretation: Performance appraisal system focuses on job performance, career development, organizational citizenship behavior, accomplishments, potential for future improvement, strengths and weaknesses, etc. Majority of the employees responded that the overall performance appraisal system at HSL is above satisfaction level.

FINDINGS

- Most of respondents strongly agreed that they are aware of the existing performance appraisal.
- 60% of the respondents strongly agreed that they are satisfied with the current appraisal system.
- 40% of the respondents agreed that they are not satisfied with the current appraisal system.
- Most of respondents strongly agreed that performance appraisal is conducted in an organization to judge the gap between the actual and the desired performance.
- Some of respondents agreed that performance appraisal is conducted in an organization does not judge the gap between the actual and the desired performance.
- Few respondents agreed that they have no idea about it.
- Maximum of respondents strongly agreed that performance appraisal helps to strengthen the relationship and communication between superior – subordinates and management – employees..
- 100% of respondents strongly agreed performance appraisal provides clarity of the expectations and responsibilities of the functions to be performed by the employees.
- 100% of respondents strongly agreed that they are rewarded for good performance.
- Most of respondents strongly agreed that performance appraisal system existing in the organization is achieving its objectives. Few of respondents agreed that performance appraisal system existing in the organization is not achieving its objectives.
- Most of respondents strongly agreed that performance appraisal rated by their superior is reflecting their actual performance.
- Maximum of respondents strongly agreed that their superior is transparent while appraising their performance.
- Most of respondents strongly agreed that performance appraisal system effect a change in your work style, change in your job enrichment, job enlargement.
- 80% of respondents strongly agreed that as a part of 360 degree appraisal approach self, peer, superior appraisals should not be implemented together for performance appraisal. 20% of respondents agreed that as a part of 360 degree appraisal approach self, peer, superior appraisal should be implemented together for performance appraisal.

SUGGESTIONS

- HSL is one of the heavy engineering industries that consist of 3250 employees on permanent rolls and about 3000 employees on daily basis through contractors with 14 registered trade unions.co-ordinal industrial relations between the trade unions could ultimately result in achieving the demands of employees via an organization goal.

- There is no “Self appraisal” system in HSL. Employees must be given an opportunity to appraise themselves which result in pro-active behavior, better communication and maintenance of good relations.
- A good numbers of respondents are interested in implementation of 360 degree appraisal method. Hence it is suggested that the 360 degree appraisal method may be implemented in place of existing system.
- The intention of introduction of performance appraisal is to provide encouragement to the employees. The concept of job rotation, job enrichment, job enlargement are to be implemented basing on performance appraisal system.
- The rating of a job holder after going through training session should strictly be based on performance of the employee on job.
- Performance related rewards could serve as the motivating factor promoting productivity oriented approach.

CONCLUSION

As for my observations in the organization and interaction with various working employee and the management personnel, I submit hereunder my conclusion: Employee performance appraisal should be followed in HSL as it was prevailing earlier i.e. systematic assessment of how well the employee is performing their jobs in relation to established standards and the communication of that assessment to employee. In HSL, performance appraisal tend to take place on an ongoing base within the organization as superiors evaluate their subordinates work and as subordinates appraise each other and their supervisors on a daily basis.

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MOTIVATIONAL PRACTICES AND DEMOGRAPHIC VARIABLES - AN INVESTIGATIVE STUDY

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ABSTRACT

Motivation is the driving force that make employees perform. The present paper attempts to understand the relationship between the motivational practices with specific reference to IT industry and the demographic variables, particularly the age and the salary of the IT employees in the city of Bangalore. The sample size is 510 IT employees from 36 companies. The data is collected from a interview schedule and analyzed using SPSS 17.0 statistical software. Descriptive statistics, Bivariate analysis, Multivariate analysis are used for the purpose of data analysis and Interpretation. The Cronbach's Alpha Reliability test is adopted to test the reliability of the scale. Among others, the study finds that motivational practices Work Life Balance & Intrinsic Motivation and Pay & Income are contributing to the motivation of the IT employees between the monthly salary of Rs. 20001 and Rs. 30000. In the age group of "31-40 years" all the motivational factors are contributing to the motivation of IT employees.

Keywords: Motivational Practices, Motivation, IT employees, Demographic Variables

Information Technology industry is one of the fastest growing industries In India. It consists of the software industry and information technology enabled services (ITES) which also includes business process outsourcing (BPO) industry.

WHAT ACTUALLY IS MOTIVATION?

The term motivation is understood, explained and interpreted differently in different contexts. It is derived from the Latin word 'movere' which means to move. Motivation is that process which accounts for an individual's intensity, direction, and persistence of effort toward attaining a goal, specifically for Organizational Behaviour, toward attaining organizational goal. Intensity is how hard a person tries to meet a goal. Direction is the efforts channelized towards organizational goals and persistence is how long a person maintains effort toward a goal. Motivation is important as it supports business to achieve its goals in the most efficient and effective manner. ***In Business language, motivations is functionally described as the drive that pushes an individual to work.*** A motivated person is driven and is one who has a yearning for the work. Both employees and employers are eager to understand the subject matter of motivation. Employers are eager to understand what motivates their employees as they can make their employees more capable, resourceful and fruitful to the organization. On the other hand the employees also expect that the employers understand their motivational factors, so that they can contribute better.

SURVEY OF LITERATURE

Benton (1998) relates the important function between organization and motivation. Organization refers to employees as "resources" or "assets". At means that employees are precious and profit making organs of the business. Among others, the study finds that the "Employers are apprehensive with their employees' own motivation because they sturdily believe that motivation affects productivity at work". Guay et al, (2010) stated that the notion of intrinsic motivation is closely related to intrinsic value. Intrinsic motivation refers to motivation which is animated by personal enjoyment, interest, or pleasure, and is usually contrasted with extrinsic motivation, which is manipulated by reinforcement contingencies. Antikainen et al. (2010) argued that once if managers and leaders are able to help their employees to identify factors of motivation, they will be able to make them feel motivated to work hard and carry out the assigned tasks with their best effort. Goncharuk & Monat (2009) concluded that managers and leaders in all types of organisations, including those in the IT sector must first help their workers to identify their interests with the company in order to motivate them.

Gill & Mathur (2007) are of the opinion that when compared to small and medium sized firms, most large firms appear to have a more professional human resource management system to motivate workers to work with their best effort or to retain them. Bjerke et al., (2007) concluded that in the context of management, motivation is very important to the organizational performance. As compared to other subjects, motivation is viewed differently in the context of human resource management. From this perspective, it is revealed that motivation is not possible. This is because motivating others is not possible, but can be influenced. Gill (2007) stated that incentive motivation is one of the most popular tools to get workers to do what managers want. Many scholars refer incentive motivation as 'dangling a carrot'. Shanks (2007) however argues that; 'while rewards may serve

as incentive and those who bestow rewards may seek to use them as motivators, the real motivation to act comes from within the individual’.

STATEMENT OF THE PROBLEM

Motivational practices differs from time to time, industry to industry and from business to business. Among the industries, IT industry is one of the fastest changing industry. The study attempts to understand the motivational practices of IT industry. Some of the researchable questions include whether the practices of motivation as suggested by Maslow, Vroom's, Adam's, Herzberg and others are relevant to IT industry now or not? What are the IT companies doing to motivate their employees and how the employees are reacting to these motivational practices? Is there any relationship between the motivational practices and the demographic variables of the employees? It is in this context that the present study is under-taken. This research paper will give feedback on the existing motivating practices and also throws light on its relationship with the demographic variables particularly the age and the monthly salary of the IT employees.

OBJECTIVE OF THE STUDY

The research paper aims to study primarily the relationship between motivational factors and the two demographic variables namely the age and the income of the IT employees. The two objectives of the study are to understand the:

1. Relationship between the Motivational Practices of the IT industry and the Age of the IT employees and the
2. Relationship between the Motivational Practices of the IT industry and the Monthly Salaries of the IT employees.

METHODOLOGY

The study covers the motivation practices of IT companies in the city of Bangalore and its influence on IT employees. The study includes 14 Multinational companies, 6 Indian large companies and 16 Indian medium and small companies. A total of 36 companies are studied.

Stratified random sampling technique is adopted for the study. The sample size of companies is about 20 %. The total sample size of IT employees is 510. Out of this, 45% are employed in MNC's, 40% are from Indian Large IT companies and 15% are from Indian small and Medium IT companies.

a. Data collection

A plan was drawn to collect the different motivational practices followed by the IT industry with the help of an interview schedule. The researcher had discussions with the Human Resources team of the companies and collected different motivational practices practiced by them. All the practices were collected and tabulated. 97 statements were developed. A panel of 30 experts comprising of management teachers, researchers and industry practitioners having an average experience of 12 years was prepared. Statements selected by more than 20 experts were accepted for the measurement scale. The final scale consisted of 57 statements. All the motivational practices were grouped into 7 categories namely:

1. Clean Work Place, Autonomy & Promotion,
2. Safety & Grievance Handling,
3. Reputation for Job, Decision making & Training,
4. Manager - Subordinate relationship, Fringe benefits & Job security,
5. Employee - Employee Relationship & Friends / Relatives View of the Job,
6. Work Life Balance & Intrinsic Motivation,
7. Pay & Income.

Further, each category included statements. 9 statements were included under the 'Clean Work Place, Autonomy & Promotion', 5 under 'Safety & Grievance Handling', 7 under 'Reputation for Job, Decision making & Training', 12 for 'Manager - Subordinate relationship, Fringe benefits & Job security', 6 for 'Employee - Employee Relationship & Friends / Relatives View of the Job', 9 for 'Work Life Balance & Intrinsic Motivation' and 9 statements for Pay & Income. A five point scale was adopted to measure the extent of agreement/dis-agreement to these statements. 1 point was assigned for Strongly Disagree, 2 for Disagree, 3 for Neither Agree/Disagree, 4 for Agree and 5 for Strongly Agree.

b. Tools of data analysis

Data was analyzed using SPSS 17.0 statistical software. The statistical techniques adopted are frequency, means, standard deviation and percentages. Pearson correlation is used to measure the strength of the associations between variables and stepwise regression analysis is adopted to predict one the variables. The Cronbach's Alpha reliability test for finding out the reliability of the scales is adopted for the study. Regression analysis is used to find the association between motivational practice on the age and monthly salary of the IT employees. The test of significance has been additionally employed to recognize the variables, which have significance. An attempt has been made by these statistical tools to capture the motivational practices which can motivate the IT employee.

Relationship between Motivational Practices of the IT industry and the Age and Monthly Income of the IT employees: The study covers the association between 7 motivational practices discussed above with two demographic variables namely the Age and the Monthly Salary of the IT employees:

Table No.-1.1: Association between Motivational Practices and Age Group of the IT employees

Motivational Practice	21 -25 YEARS		26 - 30 YEARS		31 - 35 YEARS		36 - 40 YEARS	
	Standar dized Co-effi Cients	Sig.	Standar dized Co-effi cients	Sig.	Standar dized Co-effi cients	Sig.	Standar dized Co-effi cients	Sig.
	Beta		Beta		Beta		Beta	
(Constant)		0.000		0.000		0.034		0.024
Clean Work Place, Autonomy & Promotion	0.664	0.000	0.424	0.000	0.188	0.000	0.283	0.036
Safety & Grievance Handling	-0.276	0.002	0.006	0.910	0.142	0.001	0.077	0.558
Reputation for Job, Decision Making & Training	0.235	0.005	0.119	0.013	0.190	0.000	0.213	0.096
Manager - Subordinate Relationship, Fringe Benefits & Job Security	0.123	0.074	0.327	0.000	0.340	0.000	0.365	0.017
Employee - Employee Relationship & Friends / Relatives View of the Job	0.028	0.717	0.192	0.000	0.108	0.015	0.178	0.240
Work Life Balance & Intrinsic Motivation	0.045	0.538	0.133	0.005	0.267	0.000	0.324	0.015
Pay & Income	0.431	0.000	0.192	0.000	0.456	0.000	0.599	0.000

Regression analysis is done on 147 IT employees in the age group of '21-25' years, 166 in the age group '26-30' years, 143 in the age group '31-35' years and 54 in the age group '36-40' years for the practices which contribute to the motivation of the IT employees.

From the above table it is clear that the p value for the motivational practices namely 'Manager - Subordinate Relationship, Fringe Benefits & Job Security', 'Employee - Employee Relationship & Friends/ Relatives View of the Job', 'Work Life Balance & Intrinsic Motivation' is >0.05 indicating less significance and are therefore not contributing to the motivation of IT employees in the age group "21-25 years".

In the age group of '26-30' years, the p-value for 'Safety & Grievance Handling' is 0.91 which is >0.05 indicating less significance and therefore not contributing to the motivation of the IT employees.

In the age group of '31-40' years the p-value for all the motivational practices is < 0.05 indicating significance and contributing to the motivation of IT employees.

Motivational practices such as 'Clean Work Place, Autonomy & Promotion', 'Manager - Subordinate Relationship, Fringe Benefits & Job Security', 'Work Life Balance & Intrinsic Motivation' and 'Pay & Income' have a p-value < 0.05 indicating significance and contributing to the motivation of the IT employees in the age group "36-40 year.

Table No.-1.2: Association between Motivational Practices and the Monthly Salary of the IT employees

Motivational Practice	Rs. 20001 – 30000		Rs. 30001 – 40000		Rs. 40001 – 50000	
	Standardized Coefficients	Sig.	Standardized Coefficients	Sig.	Standardized Coefficients	Sig.
	Beta		Beta		Beta	
(Constant)		0.000		0.168		0.009
Clean Work Place, Autonomy & Promotion	0.099	0.053	0.301	0.000	0.058	0.412
Safety & Grievance Handling	-0.059	0.188	0.052	0.494	0.150	0.153
Reputation for Job, Decision Making & Training	-0.076	0.135	0.259	0.000	0.123	0.134
Manager - Subordinate Relationship, Fringe Benefits & Job Security	0.005	0.935	0.133	0.029	0.243	0.001
Employee - Employee Relationship & Friends / Relatives View of the Job	0.063	0.193	0.195	0.001	0.263	0.001
Work Life Balance & Intrinsic Motivation	0.102	0.025	0.290	0.000	0.281	0.000
Pay & Income	0.789	0.000	0.254	0.000	0.116	0.034

Regression analysis is done on 224 respondents with a monthly salary between 'Rs. 20001- Rs.30000', 129 with a monthly salary between 'Rs.30001- Rs.40000' and 88 with a monthly salary between 'Rs.40001 - Rs.50000' for the practices which contribute to the motivation of the IT employees. The p-value for motivational practices namely the 'Work Life Balance & Intrinsic Motivation' and 'Pay & Income' is < 0.05 indicating significance and contribution to the motivation of the IT employees earning of monthly salary between 'Rs. 20001 -Rs. 30000'.

It was found that all motivational practices except 'Safety & Grievance Handling' with a p-value of 0.494 are significant among the practices which contribute to the motivation of IT employees who are earning a monthly salary between 'Rs. 30001 - Rs. 40000'.

The motivational practices, 'Manager - Subordinate Relationship', 'Fringe Benefits & Job Security', 'Employee - Employee Relationship & Friends/ Relatives View of the Job', 'Work Life Balance & Intrinsic Motivation' and 'Pay & Income' have a p-value < 0.05 indicating significance and contributing to the motivation of the IT employees who are earning a monthly salary between Rs. 40001- Rs.50000.

MAJOR FINDINGS OF THE STUDY: From the study it was found that

1. In the age group '21-25 years', the motivational practices namely 'Manager - Subordinate Relationship, Fringe Benefits & Job Security', 'Employee - Employee Relationship & Friends/ Relatives View of the Job', 'Work Life Balance & Intrinsic Motivation' are not contributing to the motivation of IT employees.
2. In the age group of '26-30' the motivational practice namely, 'Safety & Grievance Handling' is not contributing to the motivation of the IT employees.
3. In the age group of '31-40 years' all the motivational practices are contributing to the motivation of the IT employees.
4. In the age group '36-40 year'', Motivational practices such as 'Clean Work Place, Autonomy & Promotion', 'Manager - Subordinate Relationship, Fringe Benefits & Job Security', 'Work Life Balance & Intrinsic Motivation' and 'Pay & Income' are contributing to the motivation of the IT employees.
5. Between the monthly salary of 'Rs. 20001 and Rs. 30000' the motivational practice namely the 'Work Life Balance & Intrinsic Motivation' and 'Pay & Income' are contributing to the motivation of the IT employees.
6. Between the monthly salary of 'Rs. 30001 and Rs. 40000' all the motivational practices except 'Safety & Grievance Handling' are contributing to the motivation of IT employees.
7. Between the monthly salary of 'Rs. 40001 and Rs. 50000' the motivational practices, 'Manager - Subordinate Relationship, Fringe Benefits & Job Security', 'Employee - Employee Relationship & Friends/ Relatives View of the Job', 'Work Life Balance & Intrinsic Motivation' and 'Pay & Income' are contributing to the motivation of the IT employees.

To conclude, motivational practices in the age group '21-25 years', namely 'Manager - Subordinate Relationship, Fringe Benefits & Job Security', 'Employee - Employee Relationship & Friends/ Relatives View of the Job', 'Work Life Balance & Intrinsic Motivation are not contributing to the motivation of IT employees. Similarly, when, IT employees are earning a monthly salary between 'Rs. 20001 and Rs. 30000', the motivational practices namely, 'Clean Work Place, Autonomy & Promotion', 'Safety & Grievance Handling', 'Reputation for Job, Decision Making & Training', 'Manager - Subordinate Relationship', 'Fringe Benefits & Job Security', 'Employee - Employee Relationship & Friends / Relatives View of the Job' are not contributing to the IT employees motivation. Mismatch is evident between the motivational practices of the IT companies and the IT employees in the age group of '21-25' years and between the monthly salary of 'Rs 20,001 and Rs.30,000'. There is a need for the IT companies to consider these two groups, understand their concerns and motivate them so that they can also contribute substantially to their employers.

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SUCCESS IS NOT BIASED TO WOMEN: NEED TO BREAK THE GLASS CEILING EFFECTS

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ABSTRACT

India is celebrating its 70th independence day, but still Indian women are not able to celebrate equality and liberty to make their choice for career. Approaches like gender stereotype, cultural biases and wages gap still exists in the Indian organizations which demotivate our working female. In present era, the status of Indian women is very complicated, though women started getting recognition from society and organization and have attained high position in corporate world but still there are some talented women who have not got the opportunity to exhibit their skill in their field. Major reason is organization's discrimination policies which create glass ceiling phenomenon among the women. Glass ceiling means to establish the invisible barriers to stop yourself to achieve heights of success. So the main focus of this paper is to find out reasons and effects of glass ceiling and how corporate world should take a step to encourage & promote talented women in order to gain their eligible positions in their respective organizations.

INTRODUCTION

"A strong woman stand up for herself, a strong woman stands up for everyone" which define the real strength of a woman. But when we try to triumph this line we get different picture of women in the society, where females are perceived as emotional and have an inclination towards family and they are not considered to be career oriented. Standing in the 21st century, females are still struggling for their rights in the society as well as in the corporate world. There are various issues like gender discrimination, gender barrier and wages gaps etc are playing a major role to degrade the career graph and success of working female at their work place. Basically every woman is capable of reaching the topmost position of her organization but due to these forces (socio, cultural, personal and organizational) females fail to gain an upper rank in the organization. These are the conditions where female block herself for any kind of growth whether it is personal or professional and she stops working on her overall development. These effects are termed as Glass ceiling.

Glass ceiling refers to informal barriers that keep women from getting promotions, salary hike, further career opportunities like workshop, training, job switching etc. Glass ceiling is a metaphor used to define the limits and barriers in career path. It is symbolized with glass because it is not visual and females may not be aware of its existence until she "hits" the barriers.

Our Indian culture is maintaining the tradition that women's first priority is her home and most of the Indian women also feel that their prime duties are towards their children and household chores. Due to this dominant thought of our culture women are not recognizing their real capabilities beyond their routine and stereotype work. But with the advancement of education, technology and dynamic mindset of today's generation, the whole scenario and traditional side of Indian women are changing. Along with globalization, modernization conditions also play a major role to change the lifestyle of society as a whole. Societies are also realizing the necessities of a working woman, as they provide a strong support to their family to maintain the better economic conditions. In present era, the women have carved a niche for themselves in corporate world and they are climbing the corporate ladder by putting a strong foothold in Indian corporate world with their unique skills and style. Women play multiple roles in their personal lives which sharp their interpersonal skills, conflict management skills, nurturing nature and ability to inspire confidence among colleagues and subordinate to build a strong team, which may help an organization to succeed. In spite of this the percentage of women in senior management position is still very low, which should be addressed by organizations to compete a global environment which demand for greater adaptability and superior combination of technical and survival skills.

MAIN REASONS OF GLASS CEILING

Psychological barriers: from the childhood, females are forced to accept the social norms and customs of the society; as a result it is deeply enrooted in their brains. Even these females are afraid to ignore and reject social rules after attaining maturity and transfer these orthodox thoughts to the upcoming generation in same manner. Acceptances of these rules in their root level gradually demotivate them and they lose their confidence and enthusiasm to adopt new phase and challenges of life.

There are still numbers of women who are breaking these stereotypes and trying to overcome from these conditions. They want to set their goals and aims for life. These women are capable enough and ready to face any adverse situations. Corporate world needs to recognize these women as their working force to foster

economic conditions. But still corporate feels that females are have certain personality traits like emotions, social nature, soft heartedness, caring, which are not suitable for managerial position and it is a main reason why any organizations do not see any females as manager.

GOVERNMENT BARRIERS

There are following loopholes where the Government should take the initiative to reduce the glass ceiling effect faced by the minorities or women:

- Lack of continues monitoring and preventing program.
- Lack of follow-up and maintenance of prevention plan that have been put into place.
- Gender entry or gender gap, wages gap issues.
- There are no strong policies to address the sexual harassment issues, maternity related and child care issues.
- Inadequate reporting system to address the glass ceiling problem.

SOCIETAL-RELATED BARRIERS

Indian society is not ready to break the old tradition of “women at home” concept. Women are always in dilemma to make growth in their career specially married working women, whose utmost responsibility, is to take care of her family. There are many married women who struggle to make a balance between their professional and personal life and create dual role conflict situation. Dual role conflict occurs when the office roles and family roles are not compatible to each another. This situation can lead to depression and anxiety and it is the reason to increase the stress among working women. Stress affects the job performance, health and personal relation with family. The situation gets worse when working women do not get social support from family/ spouse/ employees or other colleagues, which increase their workload. To cope with the above situations females stop thinking about their progress and create invisible barriers around them

ORGANIZATION BARRIERS

Women at workplace are intelligent, smart and ambitious. A McKinsey 2013 women matters report, said that 79 percent of entry level women and 83 percent of middle management women desire to move to next level at work. But Indian male dominant society does not realize these facts and ignore their capacity. Working women are not considered to be a part of authority, decision making and upcoming opportunities. NSSO, 2015 indicated that women’s labor force participation is significantly lower than men. In India only 24 percent of female labor forces are working in corporate as per McKinsey report 2015 –the Power of Parity. These worse situation shows that management is not accepting women for their upward mobility in the organization and are not ready to remove these obstacles which are barriers for their promotions. Due to this females feel dull and hopeless and create stress indirectly, which make their performance poor and aimless. It would be easy to find excuse to restrain them from any growth, promotion or other opportunities. It is also observed that women have to sacrifice their career at height of their success due to social obligations & responsibilities, and organization does not have any policy to retain them. These are all conditions and working environment reduces the zeal of working women to face new challenges and to grab opportunities for their progress. The present structures of organizations are not in favor of career working women and continuously demoralize their work by the lack of appreciation.

SEXUAL HARASSMENT

Sexual Harassment is also major issues at workplace which create a glass ceiling effect. Sexual harassment is defined as unwelcome sexual favors and other verbal and physical conduct. Sexual harassment at work has very severe consequences both for the experienced individual and other working women at same place. In some situations woman has risk to lose her job or chance to get promotion, if she refuse to do so. In other situation authority create unhealthy and unpleasant working conditions to put a pressure on her to leave the job. A harassed woman suffers serious emotional and physical consequences (sleep disorder, weight loss, lowered self esteem, depression, and anxiety) which affect her performance. Sexual harassment give bad impact as whole as it disturbs the working of all women who are not directly involved in it and also gives negative impacts on company productivity.

REVIEW OF LITERATURE BASED ON GLASS CEILING

1. Sanghamitra (2009): In this study 121 professional women are examined. The primary objective of this study is to understand the impact of family responsibilities on the career decisions of women professionals and necessary family support required by female professionals. The perception of women professionals regarding the barriers against their career growth like family structure, demographic factor, managerial role responsibilities, marital status etc are also analyzed

2. Namrata Singh and Samidha Sharma (2011): article discussed that over the year companies have started many process to foster the business growth along with new practices to drive gender diversity with an aim to develop and retain women employees, but still some more serious steps are waiting for implementation for women employee. Article suggested to the large organization to build women network or women forum, which provide an opportunity for women employees to come together and expand their professional and social networks to strengthen their professional life.
3. Kelly Service India (2012): this article revealed that Indian women are exploring her career in IT industry as a preferred career option. The number of women in the IT industry is phenomenally growing, but there are not balanced numbers found in senior leadership roles. The study identified key factors that companies to take address it to support women talent.
4. Brijesh Kishore Goswami, Sushmita Jha (2012): article defines the emergence of new economy sector like IT, BPO and KPO from the last 10-20 years has started to break the glass ceiling and Indian corporate world is also progressively more conscious of a diversity ratio. But unfortunate India's 500 million strong female populations work only 10% in managerial posts across the companies.
5. Leena Nair(2013): this article tried to explain that leaders has to act as thoughtful architects to reconstruct their building beam by beam, room by room and rebuild their house with practices that are strong, equitable and balanced not just for women but for all people. Article described that the true power of this approach can rout discrimination by fixing the organization, not the women or men who work for it. In that way, it frees the women from the feelings of self blame and anger that can come with invisible inequity.
6. Piritta Sorsa (2015): In this article author analyzed trends and determinants of low female economic participation and suggested some policies to increase it. Article also discussed cultural and socioeconomic barriers and factors which reduce women participation in corporate world. Article forced that India needed gender specific policies to raised women participation. Indian women participation in the labor force or as entrepreneurs is low compared to men and has declined over the past decades despite strong growth. The labor force participation gap with men is over 50% the largest among key emerging market. So Indian organization should understand the potential of female workforce and adopt those policies which help in increasing female participation in labor force.
7. Anjali Singh (2014): according to Kiran Mazumdar show, founder of Biocon, spoke about the obstacles that are faced by India's female workforce and the attitudes of women returning to work after taking a maternity leave. Woman in India tend to backtrack, they opt lesser ambitious job profile which waste their expertise and experiences. Lack of mentorship and number of measures for maternity policy leads this type of situation. If Indian policy ensure that employers can compliance with maternity laws, can change the scenario and retain their valuable experienced employee. Numerous studies have shown that an improved retention rate generates greater profit and avoid costly staff turnover
8. Tulsi and Gowsiya (2015): the Indian software industry is the king in the outsourcing of software services. In Indian software industry, where around 37% of women employees are in the workforce, most of the employees are found to be struggling to manage family and workplace. This paper tried to find out the pervasive factors that affect their work life balance i.e. societal expectation; women's career graph and the challenges of the software industry. Their self identity either in work or home requires negotiation both at home and at work in terms of how and when work can be done. This would go long way to enable the women to perform better at work and be more committed to the organizations society as whole.

BEHAVIORAL CHANGES REQUIRED TO COMBATING THE GLASS CEILING

Organizations should implement the following changes and build a new structure to combat the glass ceiling:

1. Develop career planning policies.
2. Mentoring and development program for females which should be part of their core strategic decision policy.
3. Provide full support system to encourage female workforce.
4. Identification of potential women on early stage of their career and involve them in decision making process.
5. Company should provide opportunities to lead high level of projects to their potential women working force to build their competencies and skill sets.

6. Women should also be a part of core team who are responsible to rise the company profit
7. Create a holistic approach in the organization.
8. Organization should encourage the women management style to lead the team.
9. Make child care program to give comfort and relaxation to working mothers.
10. Organize family session to council family members about job profile.
11. Organize training session and workshop on stress management, work life balance, team building, and leadership style to motivate the employees.
12. Consciousness among women managers to make mentorship of other women one of their primary responsibilities.
13. Special leave provision related with maternity.
14. Company should stop gender specific hiring policy.
15. Sponsorship program for higher study for potential women.
16. Provide flexible working conditions.
17. Network opportunities for women for coaching and mentoring process.
18. Develop the rewarding system to inspire for good work.
19. Company should have special core team to handle the sexual harassment cases.
20. Every organization should have strong policy and regulation against exploitations and sexual harassment.

Above mentioned initiatives are support systems of a working woman to soar their real personality in front of society as well as organizations by breaking the all barriers.

CHASE THE DREAM IT WILL SHATTER THE GLASS CEILING

If women are able to live their dream by not making a glass ceiling defined by the society, they can achieve their goals. They need to be more aware, firm, dynamic, determined and ambitious to face the challenges made by the societies and corporate world. They have to recognize the opportunities to drive their ambitions without any fear and hesitation.

Following suggestions are for working women to set higher standards for themselves to fulfill their dreams.

1. Attitude: attitude is the important criteria for any employee to climb the success ladder and positive attitude at the workplace will help and lead the woman to chase her dreams.
2. Job Knowledge: women should have the complete knowledge about their job profile before joining the organization. There should not be any conflict regarding job role and company expectations.
3. Personality: personality with positive attitude can do miracle at workplace. To develop positive attitude, women need to build traits like leadership, calmness, patience, motivation and communication skills. These traits help to perform better and give strength in all conditions.
4. Managerial Skills: Managerial skills help women to get senior position in organization.
5. Career goals: to get identity of one self, women need to set their career goals to achieve it.
6. Mobility: working females should develop the ability and willingness to accept any changes. For learning new thing and to break the monotonous condition changes are very much required.
7. Networking: In order to break the glass ceiling women need to associate with powerful individuals.

If women try to build above mentioned factors she can break any barriers and obstacles coming towards her career path.

WOMEN INSPIRATION

Following examples of Indian women, who made their way into different inspiring field by breaking all glass ceiling effects:

1. Indian Air Force welcomed its first batch of women fighter pilots. Avani chartuvedi, Bhawana Kanth and Mohana Singh were commissioned in June, 2016.

2. Archana Ramasundaram, IPS officer, became the first woman head of paramilitary force.
3. Shutter, P V Sindhu became the country's first woman, silver medal winner at the Rio Olympics .
4. Sakshi Malik, first women wrestler from India to won bronze medal at Rio Olympics.
5. Dipa Karmaker became the first women who reached till gymnastic finals.
6. Aditi Ashok the first woman Indian golfer to win a European tour event.
7. Sania Mirza retained her world rank in doubles in WTA ranking in tennis.
8. Priyanka chopra and Deepika Padukone, Indian actress successfully marked their presence in Hollywood.
9. Chanda Kochhar is the leading women in India's financial service sector. She is director and CEO of ICICI Bank.
10. Naina Lal Kidwai, CEO of HSBC Bank, India. Fortune Magazine listed Kidwai among the world's top 50 corporate women from 2000 to 2003. She has been awarded with Padma Shri also.
11. Kiran Mazumdar shaw is the chairman and managing director of Biocon.
12. Neelam Dhawan heading the Hewlett Packard, largest personal computer company
13. Indra Nooyi, CEO and chairperson of Pepsi co India, the second largest food and beverage company in the world.
14. Rajshree Pathy, M.D., runs Rajshree Sugar and chemical.

Above mentioned examples are proving that Indian women are strong, self-confidence, highly goal oriented and risk taker to make their career beyond the traditional job.

CONCLUSION

Indian working women have marked their presence in every field of work, which shows a lot of potential in Indian women. But still working women are not gaining correct recognition in the society as well in the corporate due to societal pressure and male dominate corporate policies. There is thin difference between female feticide and gender diversity because killing the honest motives of life of human being is similar to killing the lives. Thus, this condition should be removed from working world. The society, corporate and government should take the collective efforts and initiatives to diminish the adverse conditions of working woman and help them to remove glass ceiling effects.

The Individual Indian woman also do hard work to break their barriers which comes into their success path. It is time to realize inner strength to achieve goals. As we know success is not biased to woman, even to get success woman needs to eradicate the stereotype image of women from society by increase the awareness and empowerment of women

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DIGITALIZATION OF HUMAN RESOURCE MANAGEMENT: A KEY TOWARDS ORGANIZATION'S SUCCESS

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ABSTRACT

The increasing technology development and innovation has lead to the digitalization in society. The digitalization has its direct impact on the working of the HR practices and lead to the updating in its working procedure. The paper illuminates to explore the use of technology driven tools in HR practices as the technology revolution has helped the HR professionals to use these innovation in positive ways. The study shows how digitalization has implications for HR managers further than merely reducing and automating administrative tasks. It reveals the impact of technology on various HR practices like recruitment, training & development, performance management and payroll management.

Keywords: Human resource management, E- Human Resource management and Digitalization

INTRODUCTION

Information technology has brought changes in every aspect of human society life and it continues to change the way organization works. Organizations are working on to be more updated and use the new technology and be on upfront and ahead of competitors. The coming generation of HR will require a significant change from today's focus on HR operations with updating the new way of working. Digitalization has become a new buzz in the organization, and it is something organizations must implement in order to stay advance.(CapGemini, 2013; Spitzer, 2014; Goldstein, 2015; Deloitte, 2016). Human resources department being the most significant part of the organisation need to create a modern organization that is adaptable to the changes. According to the DeSanctis 1986, HR function need to employ IT for administrative processes such as payroll processing, with slight attention being paid to transformational HR practices. In 2006 HCM Survey (CedarCrestone) states that companies widened the scope of HRM applications as administrative e-HRM was still the most popular application (62% of surveyed companies), companies reported an increasing use of strategic applications like talent acquisition services (61%), performance management (52%), or compensation management (49%) (CedarCrestone 2006).Digitalization impacts organizations on numerous stages digitalisation will reduce manual work task by increasing use of technology.(Cöster & Westelius, 2016). Information technology has completely changed the HRM processes and its working in today's globally advanced world. It has been an era when the digital potentials have been provoking outdated ways of HRM process in the organizations.

Digitalization has been continuously changing the way the organisation works as in the way it hires, manage and support people. A varied number of technologies are used to facilitate the working of human resource department. The e-HRM plays a crucial role as it has made the process easier and user friendly while ensuring accuracy with precise results. The digitalization has transformed the HR functioning over the decade. To have an impact, HR must develop advanced capabilities to align HR structure and services with the business needs that facilitate business growth and operational excellence. HR Transformation has led to restructuring of HR operations and working.

OBJECTIVES

- To recognize the implication of digitalization for HR managers.
- To understand how the organizations are facing the digital transformation and how it indirectly effects the organisation success.

RESEARCH METHODOLOGY

The research is conceptual in nature. Secondary source of data is used to achieve the objectives of the study.To reach the conclusions keywords of human resource management, E- Human Resource management and Digitalization. Identified articles are thoroughly studied to understand its conclusions and suggestions as well as the references cited in the articles were also gone through. The research started with understanding the overview of digitalization and with that understanding how digital transformation has helped the organisation in achieving organisation success.

DIGITALIZATION AND HR PRACTICES

HR department play an integral role in company's strategic formation. The HR department has made a shift from performing employees' administrative management to playing a key role in enhancing the companies'

performance. The need of the time is making the HR professionals more strategic and proactive and they need to gain expertise in the upcoming social and technical trends. Digitization now require the HR professionals to attract rare talents, maximize contacts with employees, anticipate their training needs in order to be proactive, foster engagement by identifying and acknowledging each employee's potential. All of this being addressed in a context of budget cuts. Digitalizing the HR function is a significant part of the answer to these challenges. To fully understand this shift in HR, we must understand the changing trends of HR with respect to the change in technology. Huge impact of digitalization can be viewed on the HR functions such as Recruitment, Training & Development, Performance management, Payroll & Workflow management.

DIGITALIZATION IN RECRUITMENT

Online recruitment refers to posting vacancies on the corporate web site or on job portals which easily allow the applicant to share their resume via email (Galanaki, 2002). E-recruitment is the use of web based which helps and support the recruitment process. The major ways of recruitment, which companies uses is through the company's websites, using social networking sites (SNS) for acquiring the database from online. The recruitment process is done through:

a) Corporate websites

Company's website is the major way of attracting candidates. A portal can be made available where the employee can directly share their resume. Other way can be through providing the link on the various job portals where it can bring the applicant to the current openings page. Major companies now have a separate team for the managing the social networking sites and job portals.

b) Commercial Job boards

Commercial job boards are the various job portal sites where employers can post their job requirement and applicants can directly apply on the job portals. There are various new job portals available like Naukri, Monster India, Times Jobs, Career Age, Freshers world and many more. The new trend in technology leads to upgrades in Selection procedure too. Online Testing and Assessments tests are one of the way through which companies assess candidate's skill. As well as there are various other software's that leads to receive, track, test and assess the applicants which helps to shorten the selection procedure.

DIGITALIZATION IN TRAINING AND DEVELOPMENT

In the time of digitalization, E Learning provides a massive option for employers to provide an interactive way of learning to its employees. "E Learning refers to the use of internet technologies to deliver a broad way of solutions that enhance knowledge and performance" (Marc Rosenberg). Web-based technologies have affected the formal learning and have lead the effectiveness at workplace performance (Lee, Owens, & Benson, 2002). The training procedure changed from elementary training activities like lectures, case studies, role play etc. to the more multifaceted techniques like technology based learning procedures i.e., through video, internet and computer based. Technology-based learning (TBL), computer-based training, interactive video, multimedia supported training technologies, the Internet, intranet (corporate-wide Internet systems), virtual reality and so on. The need for more information is becoming more crucial as organizations want to be sure of TBL's effectiveness before they decide whether they should use it or not. Due to the availability of online training employees can use the module to their ease and learn on their own.

DIGITALIZATION IN PERFORMANCE MANAGEMENT

Performance helps in assessing the employee efficiency towards their working and achieving the organizational goals. Online performance system helps the organisation to conduct the whole appraisal procedure online. The online procedure helps in reducing the paper work and decreasing the time and cost of the HR department. IT enabled Performance Management is an effective tool to leverage the full benefits at relatively lesser cost. The E- Performance Management allows the organizations to maintain the record of core skills and competencies into the employee's managing process. Performance management software provides an advanced approach towards employees' performance appraisals procedure. The online appraisal procedure helps increasing productivity, relationship and core competency.

The automated process of performance appraisal management organizations uses various performance management software's like Workforce Performance Management(WPM) Suite Systems and Talent Management Software, which helps to analyse the targets and analyse the result achieved as well as other data regarding employees.

DIGITALIZATION IN PAYROLL MANAGEMENT

The online payroll updating has helped the organisation in easy disbursement of salary to employees. The HRMS solution INC (2007) is one of the software that has helped creating general ledgers, making pay checks,

run trial reports and flexible enough to make changes. Digitalization in payroll has helping the organisation to move towards the new cloud computing technology, it has helped in easy managing on server with very less maintenance cost. It has helped in keeping a record of employee efficiency which helped in easily providing the bonus and incentives.

DIGITAL TRANSFORMATION AND ORGANISATION SUCCESS

The Digitalization has helped the organisation in many ways which leads to the employees' engagement and success of the organisation. The internet technology helped in automating the routine task of HR professionals' replacing the filling cabinets. (Hendrikson, 2003; Lengnick-Hall & Moritz, 2003; Lawler et al., 2004; Hussain et al., 2007; Bondarouk & Ruël, 2009). The new advent of HR metrics helped in forming the strategic and supporting the strategic decision making in the organisation. (Hendrikson, 2003; Lengnick-Hall & Moritz, 2003; Lawler et al., 2004; Hussain et al., 2007; Bondarouk & Ruël, 2009). The new advent helped in use of technology in various HR activities has helped the organisation in using of new technology in selection and recruitment procedure. (Martin et al., 2008)

Digitalization has made the employee enterprise connectedness. Digital technology has enable a comprehensive employee engagement which leads to the employee performance. Making social networking available within the organisation helps in learning from one another and helps in collectively solving problems. It has helped in increased involvement of employees in organisation's HR practices and employees become savvy about the HR practices. As previously the salary and other benefit options are just the matter of HR professionals' and with the help of digital technology employees can easily made more information available to employees. With the use of technology, the recruitment has helped to provide more information sharing about the company with its people.

CONCLUSION

With the ongoing trend of change in technology the organisation need to be updated and adapt the change in order to survive in the organisation. Digitalization has affect the whole organisation either indirectly or directly. Organisations are working to reduce their cost and adapt the technology changes. Companies are trying to adapt the E- HRM practice to enhance the efficiency throughout the organisation. The new technology effect the organisation in building employee engagement with providing more transparency in the working which help the organisation in building employees loyalty which in indirectly effect in employee's performance leading to organisation success. The study contributes the deeper understanding as how digitalization has implications on HR managers. Digitalization has implication on Hr working in many ways.

This research work is based on the review of previous research works done on digitalization and HR practices. For future research, a quantitative tool can be used to analyse the results. Future research can be based on the getting more valuable insights from HR professionals to understand their working and effect of technology in HR practice.

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**DISCLOSURE AND REPORTING OF DERIVATIVE FINANCIAL INSTRUMENTS: A
COMPARATIVE STUDY**

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ABSTRACT

Most derivative contracts are recorded as off-balance-sheet items, lacking in transparency and accounting treatment. Accounting treatment of derivatives had been vivid in different countries due to lack of uniformed accounting standards till date. To bring uniformity in accounting treatment, more than 100 countries across the globe have already adopted International Financial Reporting Standards (IFRS). Indian companies are about to replace the existing Indian AS with the converged IFRS. New Ind AS, i.e., IFRS for derivative financial instruments (DFIs) would be accepted in India if it becomes able to provide more comparative benefit than that of the existing one. This article makes a comparison between two groups of companies, viz, IFRS user and non-converged Indian AS user companies with an objective to see whether there are any differences in terms of reporting and practices of DFIs in the companies' annual reports.

The findings of the study suggest that the level of disclosures of DFIs is higher in case of IFRS user companies than that of Ind AS user companies. This indicates that reporting practices of DFIs would be improved in India after adoption and use of IFRS for DFIs.

Keywords: Accounting standard, IFRS, DFIs, Disclosure.

1. INTRODUCTION

Disclosure of accounting information plays an important role in the economic growth of a nation. One of the most important fields of financial reporting practice is disclosure of Derivative Financial Instruments (DFIs). The disclosure of accounting information on DFIs helps to reduce information asymmetry and it becomes an indicator for investors in making their investment decision.

A derivative is simply a contract to buy or sell an underlying asset at future date, with the quantity, quality, price and other specifications defined today. On the other, a derivative may be defined as an instrument whose value keeps on changing with the change in value of the underlying. The change of price of underlying changes the value of derivatives. Type of derivative is not finite; the commonly used derivative instruments are Futures, Options and Swaps.

IFRS adopted companies follow the accounting standards IAS 32, IAS 39, IFRS 7, IFRS 9 & IFRS 13 for the purpose of reporting and disclosing the transactions on DFIs. Indian companies are about to replace the existing Indian AS with the converged IFRS. New Ind AS, i.e., converged IFRS for DFIs would be accepted in India if it becomes able to provide more comparative benefit than that of the existing one. In this regard, this paper aims to assess whether the disclosure level of DFIs would be improved or not after the adoption of converged IFRS in India.

2. REVIEW OF LITERATURE

Derivatives are risk management tools that help an organisation to effectively transfer risk Vashishtha & Kumar (2010), Prabhakara (2013). According to Stulz (2004) and Verma (2008), derivatives allow firms and individuals to hedge risks and to handle risks efficiently. Mitra & Gope (2013) in their study observed that management requires disclosing how efficiently the management uses the Derivative financial instruments to tackle the risk arises in the business. Lipunga (2014) & Malaquias & Lemes (2013) opined that improved and better disclosures reduce information asymmetry and lead to a greater liquidity of the stock and raises demand from large investors which decreases an entity's cost of capital.

According to Kingsley et. al. (2014) opined, accounting Standards are concerned either with how information might be presented, what information ought to be presented or how assets might be valued. They also opined that IFRS refers to a series of accounting pronouncements published by the International Accounting Standards Board to help preparers of financial statements, throughout the world, produce and present high quality, transparent and comparable financial information. Convergence of IFRS (Ikpefan & Akande, 2012) will place better quality of financial reporting due to consistent application of accounting principles and reliability of financial statements. Chen, et al. (2010) found that the majority of accounting quality indicators has improved after IFRS adoption in the European Union. Accounting standards have not kept pace with market derivatives activities. Until the late 1990s, derivatives were reported on the balance sheet on a variety of bases (including fair value, forward value, spot rates, intrinsic value, historical cost) or not recorded at all (Pricewaterhouse

Coopers,1999). According to Levine, Loayza & Beck (2000), the disclosure of accounting information helps to reduce information asymmetry, sheds light on the volatility of stock returns and can also be an indicator for both domestic and foreign investors in making their choices.

3. HYPOTHESIS DEVELOPMENT

The disclosure level of DFIs would be improved after the adoption of converged IFRS in India. With this expectation of higher level of disclosure of accounting information different countries are about to adopt IFRS for the benefits of the companies and their stakeholders. In this context our study sets two hypotheses. First hypothesis is set to test if the accounting standard influences the level of disclosure on DFIs and the hypothesis is:

H₀1: Selected accounting standards, i.e., IFRS or Non-converged Indian AS, does not influence the level of disclosure on DFIs in the companies' annual report.

H_A1: Selected accounting standards, i.e., IFRS or Non-converged Indian AS, influence the level of disclosure on DFIs in the companies' annual report.

The second hypothesis is set to test if the adoption of IFRS for disclosure of DFIs would improve the level of disclosure in case of India and the hypothesis is:

H₀2: No differences exist between the two groups of companies namely IFRS users and Non-converged Ind AS users for reporting and disclosing the DFI.

H_A2: Disclosure level of IFRS adopted companies is higher than the Ind AS user companies for reporting and disclosing the DFIs.

4. RESEARCH METHODOLOGY

Data in this study are sourced from the annual reports for the year 2014-15 of selected companies. With the objective of identifying disclosure practices concerning Derivative financial instruments the content analysis technique and disclosure index is applied to selected listed companies' annual reports. This analysis is based on the list of categories, covering all the important items that allow us to identify the existence of disclosures required by IAS 32, IAS 39, IFRS 7 and IFRS 13.

Data has been obtained from two set of groups. Total sample size for the study is 160. One set of 80 companies had been selected from the first group, United Kingdom, European Union, Canada, Germany & Switzerland where the companies report in accordance with IFRS and another set of 80 companies were from the second group i.e. India where the companies report in accordance with Non-converged Indian AS.

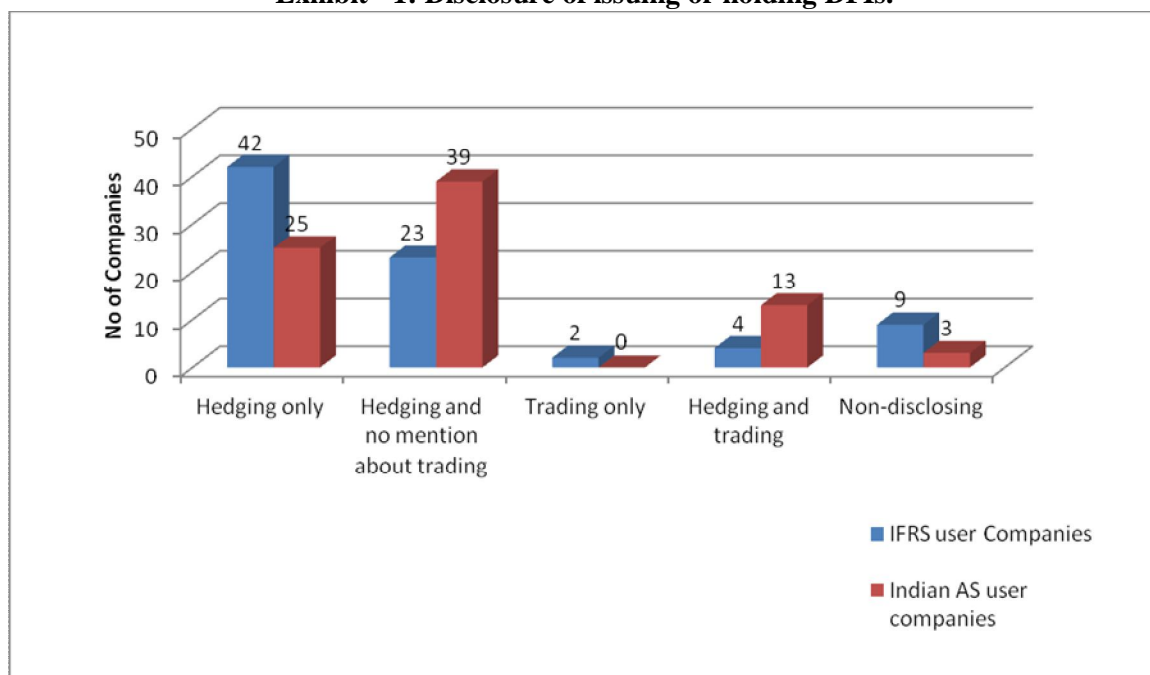
To analysis the data charts, tables, regression analysis and independent sample t-test are used in this study.

5. DATA ANALYSIS & FINDINGS

IFRS 7 requires disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments. The qualitative disclosures describe managements' objectives, policies, and processes for managing those risks. The quantitative disclosures provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

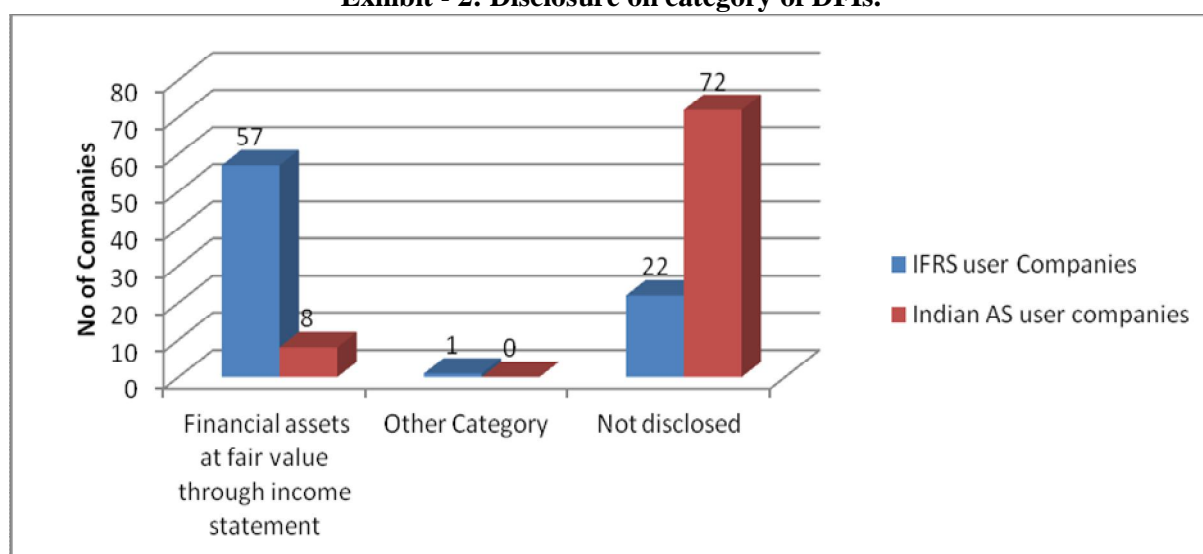
Exhibit-1 shows the comparison between IFRS user companies with non-converged Indian AS user companies on the basis of purpose of issuing or holding DFIs. The chart shows that more than 52% IFRS user companies use DFIs for hedging only in comparison to 31% to non-IFRS user companies. Again 29% IFRS user companies did not mention whether the companies use DFIs for trading purpose though they use DFIs for hedging. The rate of non-IFRS user is 49%, which is much higher.

Exhibit - 1: Disclosure of issuing or holding DFIs.



IAS 39 Financial Instruments: Recognition and measurement classify all financial assets into four categories. (i) Financial assets at fair value through profit or loss, showing separately; (a). Those designated as such upon initial recognition via the “fair value option” and (b) those classified as held-for-trading in accordance with IAS 39; (ii) Held-to-maturity; (iii) Loans and receivables; (iv) Available-for-sale financial assets. On the other financial liabilities are classified as (i) Financial liabilities at fair value through profit or loss, showing separately, (a) Those designated as such upon initial recognition via the “fair value option “and (b) Those classified as held-for-trading in accordance with IAS 39; and (ii) Financial liabilities carried at amortized cost. DFIs are to be classified as financial assets/liability at fair value through profit or loss unless designated for, and effective as, a hedging instrument. Exhibit-2 shows how the companies categories DFIs in their reporting. 71% IFRS user companies clearly specify that the companies classifying DFIs as fair value through profit or loss where the rate is only 10% in case of non-converged Indian AS. And 90% of non-converged Indian AS user companies do not mention about the classification of DFIs in their annual reports.

Exhibit - 2: Disclosure on category of DFIs.



IFRS 7 requires that for each class of financial assets and financial liabilities, the reporting entity has to disclose the fair value of that class of assets and liabilities including methods, valuation technique used and the assumptions applied in determining fair values of each class of financial assets or financial liabilities. Now if we look at exhibit-3, we find that 96% of non-converged Indian AS using companies don't specify the valuation technique used for finding fair value.

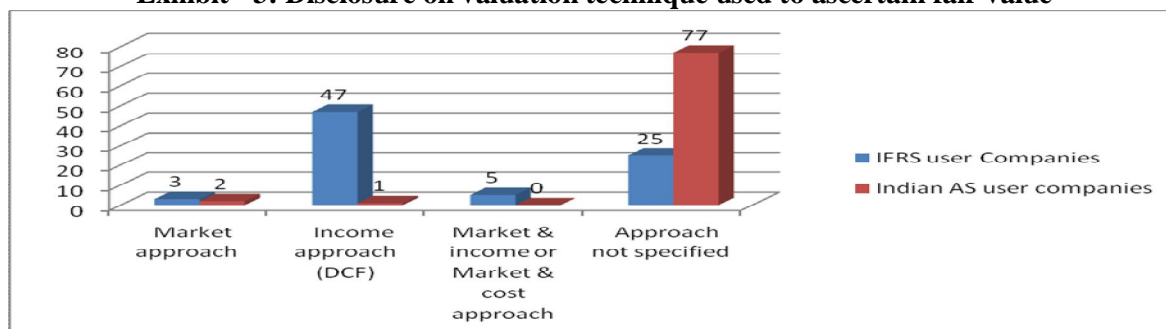
Exhibit - 3: Disclosure on valuation technique used to ascertain fair value

Exhibit-4 presents the descriptive statistics of the scores on disclosure level of DFIs of selected companies. The report shows the overall means and standard deviations of the scores on disclosure level of DFIs. The range of scores for the disclosure index varied from 37% to 100% for IFRS user companies and the range of scores for Indian AS user companies varies from 16% -79%.

Possible explanation of the maximum score and mean score indicates the fact that disclosure level of most of the IFRS user companies are higher than that of non-converged Indian AS user companies.

Exhibit - 4: Descriptive Statistics of Disclosure of DFIs

	N	Range	Minimum Score on disclosure	Maximum Score on disclosure	Mean	Std. Deviation
IFRS user companies	80	12	7	19	13.94	2.451
Non converged Ind AS user companies	80	12	3	15	8.78	2.677
Valid N (listwise)	80					

The first hypothesis of the study is to evaluate the influence of accounting standards, namely IFRS and non-converged Indian AS, for DFIs influence the level of disclosure on DFIs. To test the same following regression model is used:

$$SDI = b_0 + b_1 AS + e$$

Where-

SDI = Score in disclosure Index

b_0 = Constant

b_1 = Coefficient of the independent variable

AS= Type of accounting standard (IFRS or Non-converged Indian AS)

e = Error term

Exhibit - 5: Summary of Disclosure on DFIs

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.711 ^a	.506	.503	2.566

a. Predictors: (Constant), Category

The R value represents the simple correlation and its value is 0.711 which indicates a high degree of correlation. The R^2 value indicates how much of the total variation in the dependent variable, disclosure level, can be explained by the accounting standards (independent variable). In this case, 0.506% can be explained.

Exhibit - 6: ANOVA of Disclosure on DFIs

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1066.056	1	1066.056	161.859	.000 ^b
	Residual	1040.638	158	6.586		
	Total	2106.694	159			

a. Dependent Variable: Score of respective companies

b. Predictors: (Constant), Category

The test result indicates the statistical significance of the regression model that is run. Here regression model predicts the dependent variable significantly well where p is less than 0.05.

Exhibit-7: Coefficients of Disclosure on DFIs

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.775	.287		30.582	.000
	Category	5.163	.406	.711	12.722	.000

a. Dependent Variable: Score of respective companies

The Coefficients table also shows that the accounting standard impacts the score of disclosure level of DFIs up to a certain extent.

To test the second hypothesis, whether differences exist or not between the two groups of companies namely IFRS users and Non-converged Ind AS users for reporting and disclosing the DFI, Independent Samples t -test is used. The Independent Samples t Test compares the means of two independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different or not.

Exhibit - 8: Group Statistics

	Category	N	Mean	Std. Deviation	Std. Error Mean
Score of respective companies	Accounting practices and reporting accordance with IFRS	80	13.94	2.451	.274
	Accounting practices and reporting accordance with Ind AS	80	8.78	2.677	.299

The Sig. (2-Tailed) value in exhibit is 0.00. This value is less than .05. Because of this, we can conclude that there is a statistically significant difference between the mean number of two groups of companies namely IFRS users and Non-converged Ind AS users for reporting and disclosing the DFIs. [

Exhibit - 9: Independent Samples t-test

		Levene's Test for Equality of Variances		t-test for equality of Means			
		F	Sig.	t	df	Sig (2-tailed)	Mean difference
Score of respective companies	Equal variances assumed	.961	.328	12.722	158	.000	5.163
	Equal variances not assumed			12.722	156.794	.000	5.163

Thus the alternative hypothesis is accepted and it is also concluded that the IFRS user companies having mean value 13.94 had the higher accounting reporting and disclosure level than that of Indian AS user companies having mean value 8.78.

6. CONCLUSION

The study provides empirical evidence on disclosure practices on DFIs by the IFRS user and Non-converged Indian AS user companies. As the study compares the impacts of two sets of accounting standard practices for DFIs, it would be useful to the regulators, companies and investors in general.

The finding infers the research conclusion that the disclosure level on DFIs of IFRS adopted companies is higher than the non-converged Ind AS user companies. Thus the study strongly supports IFRSs for derivative financial instruments for a higher level of reporting and disclosure of DFIs as compared to existing Indian AS. However the study is not free from few limitations as well. Firstly, only one year annual report is considered for the study where more than one year data might be considered. Secondly, only the secondary data is considered for the study, where primary data, such as interviews with key stakeholders like auditors, experts, academicians, could strengthen the findings of the study.

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MICRO INSURANCE IN INDIA - A SWOT ANALYSIS

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ABSTRACT

SWOT analysis is a critical method used to identify and classify the important inner (Strengths and Weaknesses) and outer (Opportunities and Threats) aspects of a particular context in concern. In this paper, SWOT analysis has been used to explore the potentialities and challenges of Micro Insurance in India so as to assist in determining and highlighting the overall scope and limitations of micro insurance which basically serves as a financial guard for the less privileged section of the society against particular threats in exchange for periodical premium payment in proportion to the probability and cost of the threats concerned. In a developing country like India, there is an immense potential for uplifting the poorer section of the society through micro insurance. However, there have been numerous problems in the path of assessing the poor. The present study critically examines both the potentialities and problems of micro insurance in India.

Keywords: SWOT Analysis, Micro Insurance, low-income

INTRODUCTION

It was around mid 1990 when the term "micro insurance" was used for the very first time in the ILO and UNCTAD in Geneva and also in some academic circles in the early 1990's. Micro insurance is generally referred to as the insurance for the economically weaker section of the society and it has pulled the attention of recognized individuals working over micro insurance in developing countries in the recent times.

Micro insurance is the protection of low-income people against specific perils in exchange for regular premium payment proportionate to the likelihood and cost of the risks involved (www.docplayer.net). This definition is exactly the same as one might use for regular insurance except for the clearly prescribed target market: *low-income people*. The target population typically consists of persons ignored by mainstream commercial and social insurance schemes, as well as persons who have not previously had access to appropriate insurance products (www.dynawealth.com.ph).

Micro-insurance has been defined by the International Association of Insurance Supervisors (IAIS) as insurance that is *accessed by or accessible to the low-income population*, potentially provided by a variety of different providers and managed in accordance with generally accepted insurance practices. It does not operate in isolation, but forms part of the broader insurance market, distinguished by its particular market segment focus (which often translates into distinct means of distribution or distinctly structured products) (www.treasury.gov.za)

Micro insurance looks to aid low-income households by offering insurance plans tailored to their needs and provide protection to individuals who have little savings. Because the coverage value is lower than a usual insurance plan, the insured people pay considerably smaller premiums. (www.licifiji.com)

Therefore, Micro insurance is such an insurance which is meant and designed for the poorer and economically vulnerable section of the society who are usually not considered under the mainstream insurance providers. Here, the insurance schemes are tailored as per the requirements and capabilities of the poor people so that it can endow with financial back up to persons who are less privileged and have very little savings. Moreover, the insurance return value is comparatively very lower to the mainstream insurance plans. Thus, in a developing economy like India, micro insurance has a much wider role to play in order to economically uplift the not only the poor people in particular but also the overall economy of the country.

AN OVERVIEW OF MICRO INSURANCE IN INDIA

Like most of the other developing countries in the world, in India also the economically weaker sections of the society were outside the coverage of insurance services. However, for the protection and aiming towards social security of the vulnerable section of the society and to provide social protection as well as financial services to them IRDA had published a list of norms in the year 2002 titled 'Obligations of Insurers to Rural Social Sectors'. It is actually a quota system which requires insurance providers to give or hand over a proportion of their insurance policies to the otherwise legally right or not, who are financially not so sound clients. It was made mandatory for the fresh insurance companies that penetrated the Indian insurance following the liberalization of the insurance market. The previous public insurance players did not really have any particular allocations. All they had to do was to make sure that the sum total of all the trade that was carried out with the specified segments be not less than what sum total of business they had recorded during the year ending at 31st

March, 2002. However, if the social sector target is exempted, there is no specific definition for the income levels of customers clearly. There is nonetheless a broad specification that the clients should belong to rural areas. This may be however indicative of the possibility of including the rural poor as they belong to the rural areas and so, therefore, make sure that these micro insurance policies are availed by the economically deprived population of the society who majorly reside in the rural areas (Srijani, 2013).

In the year 2003, a advising committee on Micro Insurance was created by the then Government of India so as to examine the present status of existing schemes for the poor people in general and rural people in particular. The group found the following features of micro insurance in India:

- The expansion of micro insurance in rural India was not remarkably noticeable. Micro insurance has not penetrated rural markets. Moreover, the urban poor were also not covered by Micro Insurance.
- The schemes of micro insurance are complicated and rigid. The structure and features of the micro-insurance products must be designed in as simple manner as possible.
- Promotion of micro insurance at grass root level requires the help of social organizations and NGO's. Collaboration between an insurer and a nonprofit organization like an NGO would be advisable to encourage and support micro-insurance.

Basing on the recommendations of the consultative group and various insurance companies, IRDA notified the IRDA (Micro-Insurance) Regulations, 2005, with the objective of providing life coverage for poor people. The main features of IRDA (Micro-Insurance) Regulations, 2005, are as follows (IRDA Annual Reports, 2005):

- To promote micro insurance products and services, an amalgamation should be done between a life and a non-life insurance company.
- NGO's and SHGs are permitted to market micro insurance products.
- There should not be any lowest criterion required for appointment as a micro insurance agent.
- Life insurance products are available for 15 years as maximum period.
- All micro insurance products should be passed by the IRDA before marketing.
- All terms and conditions of insurance contracts should be available in local languages for prospective policy holders.

The main objective of Micro Insurance Regulation, 2005, is to protect people with low income by offering affordable insurance products to help those people to mitigate their life risk with low premium. The regulation paves the way for SHGs and NGOs in order to act as insurance agents for the purpose of marketing the micro insurance products of various insurance companies (IRDA Annual Reports, 2005).

The overall performance of micro insurance in India in the recent years is not very encouraging compared to some other countries. Table –I shows the *insurance density* of some of the countries of the world.

Table: 1 - Insurance Density in different countries of the world [in US Dollar]

Country	2010	2011
UK	4496.6	4535
USA	3758.9	3846
FRANCE	4186.6	4041
HONKONG	3635.5	3904
INDIA	64.4	59
JAPAN	4390.2	5169

Source: IRDA Annual Report, various issues.

Insurance density is one of the performance indicators for judging the performance of the insurance sector (Srivastaw, 2013). It is calculated by dividing the premium collected with the total population.

Insurance density for India was 64.4 Dollar in 2010 and 59 Dollar in 2011 much lower not only as compared with developing countries but also with their Asian counterparts Japan and Honkong. The growth and status of micro insurance providers in India in recent past are given in the following table:

Table: 2 – Status of Micro Insurance providers in India (Rs. in Lakhs)

Insurer	31.03.2009	31.03.2010	31.03.2011	31.03.2012
Private	603	770	758	1,251
LICI	6,647	7,906	9,724	11,546
Total	7,250	8,676	10,482	12,797

Source: IRDA Annual Report, various issues.

The total growth in total number of agents between 31st March, 2009 and 31st March, 2012 is 76.5%. The number of micro insurance agents as on 31st March, 2012 was 12797 of which 11546 are those of LIC i.e., 90.22 % and remaining 9.78% belongs to the agents of private insurance companies. The business of different companies under micro insurance portfolio is mentioned in the following table:

Table: 3 – Status of new business under Micro Insurance portfolio as on 31st March, 2012 (Rs. in Lakhs)

Insurance Company	Individual		Group	
	No. of Policy	Premium	No. of Policy	Premium
Private Companies	7,93,660	964.22	7,50,555	1150.67
LICI	38,26,783	10603.49	94,44,349	10982.30
Total	46,20,443	11567.71	1,01,94,904	12132.97

Source: IRDA Annual Report, various issues.

The new business premium under micro insurance stood at Rs.11567.7 lakhs under individual segment as on 31st March, 2012 in which the contribution of LICI was Rs.10603.49 lakhs accounted for 91.66% whereas in respect of Group Insurance policies, the contribution of LICI was 89.52%. LIC's Micro insurance plans are not plans but opportunities to avail maximum secured benefits at affordable minimum costs. These plans are operated through the intermediaries. Micro- insurance business is done through the following intermediaries:

- Non-Government Organizations
- Self-Help Groups
- Micro-Finance Institutions

OBJECTIVE OF THE STUDY

- To analyze the challenges and opportunities prevailing in front of Micro Insurance in India - using SWOT analysis.

METHODOLOGY AND DATA

This research paper is an explanatory one and the methodology of this study has been divided under two heads, namely, the Coverage of the study and Sources of Data which are explained below:

- (a) **Coverage of the Study:** This research paper has been confined to the extent of analyzing the internal (controllable) potentialities and external (uncontrollable) problems of Micro Insurance in a developing economy like India.
- (b) **Sources of Data:** The study is based on secondary data which are collected from various published sources like books, journals, business magazines, reports, internet websites and research publications etc.

SWOT ANALYSIS

SWOT Analysis is a analytical tool which extensively means Strengths, Weaknesses, Opportunities and Threats Analysis. In this method the inner or controllable traits of any organization are categorized as the significant internal factors (viz., Strengths and Weaknesses) and the others are considered as the crucial external factors (viz., Opportunities and Threats). SWOT analysis may be applied to analyze the basic characteristics of any particular arena, be it an individual, an organization, a territory, city or a country as a whole.

SWOT analysis gives all the necessary information which also assist in estimating the firm's available and potential resources and potentialities in order to meet the competitive environment in which it functions thereby validating a significant input to the Organization's strategic planning processes.

It is not only a theoretical method which focuses mainly on its results, but also a practical element which is effectively used by the management so as to develop the entire business functions and effectiveness (http://forlearn.jrc.ec.europa.eu/guide/4_methodology/meth_swot-analysis.htm#WhenAppropriate).

SWOT ANALYSIS OF MICRO INSURANCE IN INDIA

This paper attempts to bring into limelight the overall present potential and problems of Micro Insurance in India. Here, SWOT analysis has been used in order to identify the nation's unutilized potentialities and resources which can be revealed and thus used successfully and more competently thereby facilitating a thorough understanding and projection of more upto date and focused micro insurance services to the economically deprived masses of the economy and as a result of which the by and large economic development of the whole country would boost up. The various strengths, weaknesses, opportunities and threats are discussed as follows:

Strengths

In any concern the inner advantages or strong points are generally known as strengths of the organization. Strengths refer to those plus points which are definitely under the control of the organization or concern itself. Here, in context of SWOT analysis of Micro Insurance in India, some of the major strengths are discussed as below (www.microinsurancenet.org; <https://www.nabard.org/pdf/ChapXI.pdf>):

- **Ability to implement compulsory participation**

One of the strongest points for micro insurance in developing countries like India is that it has the ability to implement compulsory participation of all the insurance industries including the public and private sector. Since as per the IRDA regulations 2005, it has been compulsory to provide micro insurance policies with the objective of providing life coverage for the poor people.

- **Ability to regularly interact with customers**

Since micro insurance schemes are meant for the lower section of the society, therefore, it is almost mandatory to have regular interactions with the customers. Also the premium payment periods are relatively short, which is another factor for having regular interactions with the customers therein.

- **Existing distribution channel of affiliated MFIs lowers delivery cost**

Micro Insurance being a part of Financial Inclusion, which again incorporates the aspects of providing access to financial markets, exposure to financial services, e.g., life and general insurance and provision of financial education is substantially based on Micro Finance Institutions (MFIs). Therefore, the existing distribution channel of affiliated MFIs lowers the potential delivery costs for Micro Insurance.

- **Low and affordable premium charges**

Micro Insurance, being insurance designed particularly for the poor, has been molded in such a way that it is convenient to the poor from all aspects, including the most important aspect which is monetary convenience. For this the schemes are so designed so as to charge lowest possible premium payments in order to make the insurance coverage feasible to them.

- **Convenient periodical premium charges**

The primary objective of Micro Insurance is to ensure insurance services to the economically backward section of the society, i.e., the people who are at the very grass-root level and who are mostly unaware and financially incapable of investing in general insurance policies. Therefore, the premium charges and policy coverage has been designed in such a manner that it becomes affordable to the economically lower section of the society.

- **Greater Insurance Coverage on the part of the Insurers**

Micro Insurance, basically designed for the poor, are designed in such a manner so as to make it convenient for penetrating in the rural markets. The premia are low and as such it has a potential high demand for being subscribed at the very grass root level of the society. This in turn results into greater insurance coverage on the part of the insurers so as to meet their targets efficiently and effectively.

- **Connecting Micro-insurance with Micro-credit**

It has been considered ever more important that micro-insurance requires an additional thrust and supervision by the Regulators and the Government as well. It is now being considered that rendering microcredit without micro-insurance services is a awful financial behavior as it might result into suffering of the underprivileged as the aftermaths of a appalling product plan.

- **Extensive Range of Preliminary, Preparatory and Speculative Programmes being initiated by the Government**

Various speculative and preparatory programmes are being initiated by the Government like the SGSY, the NREGP, etc., which are showing effective outcomes resulting into the mass up-gradation in the earning levels of a lot of countryside families. Further, various State Governments are rendering health insurance facilities to the rural masses through which substantial recognition and understanding about insurance and its services and products have also been generated in the rural areas.

WEAKNESSES**• Formal Insurance Management Training & Experience is Limited**

Although micro insurance has been made mandatory by IRDA, yet the most important weakness is the lack of formal insurance management training of the micro insurance authorized agents and other staffs, including the NGOs and MFIs. They are not exposed to formal insurance management training and as a result they fail to cater to the ultimate requirements of the present and potential customers. (www.microinsurancenetwork.org)

• Insurance not well understood by target group

Micro insurance is basically meant for the poorer sections of the society which include both the urban and rural poor. Mostly it is found that the rural poor people lack basic understanding of insurance or related terms. Furthermore, in most of the cases the target group people are not found interested in pursuing such policies as they do not have the urge to understand the benefits provided by micro insurance or insurance in general.

• Relatively poorer capacity to pay the minimal premium charges

Even if the premium payment is too minimal to avoid paying it regularly and on time, yet it is seen that there are a lot of insurance lapses due to the inability to pay the minimum premium charges regularly.

• Shortage of skilled staff in management and analysis

It is essential in any scheme to have vigorous market research and analysis to recognize the market demand and supply equilibrium point and analyze the trend and pattern of customer needs and satisfaction levels. Also if there arises a negative growth trend then it is essential to have skilled personnel in management so as to analyze the reasons thereby and adapt to the changes in the concerned market. But in case of micro insurance, there has been a serious shortage of skilled and expertise staff in the management of the insurance providing organizations.

• Lack of proper distribution channels in the rural areas

Micro Insurance providers face a lot of challenges and obstructions when a new product is introduced in the market. Mostly in the rural areas it is found that the insurance providers come across certain difficulties in the proper allocation of insurance services in rural areas. Moreover, there exist a few insurance distribution arrangements which are not intended to cater to the needs and demands of the economic market. This result into conventional sales systems of brokers and agents and direct sales fail to reach the poor (Arora, 2009).

• Suppliers have their own concerns

Despite of its intense need, there are a lot many specific reasons for its low demand for micro insurance. The suppliers have their own concern which assists in providing an explanation to the fact that very little efforts are made for market development. Eventually, the rural market becomes portrayed by very inadequate and inappropriate services, insufficient information and communication gaps (<https://www.nabard.org/pdf/ChapXI.pdf>).

• Cumbersome and Inappropriate procedures

The procedures related to subscription of micro insurance policies are generally cumbersome and inappropriate which accounts for the lack of interest among the poor and uneducated mass of the society (<https://www.nabard.org/pdf/ChapXI.pdf>).

• Contradicting perceptions of the insured and the insurers

Contradicting perceptions of the insured and the insurers are generally encountered in micro insurance market. This again leads to the little customization of products and therefore, resulting into lesser requirement for the available products and services. (<https://www.nabard.org/pdf/ChapXI.pdf>).

OPPORTUNITIES**• Fast growing insurance industry**

Insurance Industry in general, is a fast growing industry mostly in developed and developing economies. However, micro insurance is a very new concept in India. But it has been made compulsory by the Insurance Regulatory and development Board of India therefore, in India as well there is a good prospect for micro insurance to flourish in the near future.

• Tax-exemptions for premia payable on micro-insurance programs

As per the UNDP report, in which it has suggested that for the better penetration in rural areas, the premia to be paid on micro insurance should be given exemption of payment of service tax. (<https://www.nabard.org/pdf/ChapXI.pdf>)

- **Essentially required in developing economies**

In developing economies like India insurance for the poor or weaker sections of the society can not only help the target customers individually but also can serve as a strong foundation for the overall economic upliftment of the poor. In poor families where there is a single earner and if that particular breadwinner dies then the whole family is ruined. Therefore it is micro insurance which can be used as a tool to save and secure the poor and thus assist in the overall balanced economic growth of the country.

- **Group Endowment**

While micro insurance is generally served as an individual policy, there are some insurers who are recently coming up with Group Endowment for the less privileged masses. Group endowment policies can result into more effective policy schemes of the insurance companies and attract more and more micro insurance policy investments.

- **Institutional premises laid down by Micro Finance interventions**

Micro finance interventions have enabled to make wider, deeper and firmer the institutional premises underlying the foundation of micro insurance which could be built in rural areas (<https://www.nabard.org/pdf/ChapXI.pdf>). This provides a strong basis for micro insurance to penetrate in the rural economy where the target population is comparatively higher.

- **Significant role of RBI through RRBs**

In October 2004, the RBI gave its consent to RRBs that they could carry out insurance business as a “corporate agent” not including risk participation. Now, as the Regional Rural Banks have a system of branches in rural areas, therefore, these branches could positively cooperate in rising the outreach and efficacy of micro insurance services (<https://www.nabard.org/pdf/ChapXI.pdf>)

- **Positive features of IRDA regulations**

Despite of the restrictive aspects of IRDA regulations on micro insurance, there exists a good amount of optimistic characteristics too. The greatest pioneering and significant positive trait is lawfully recognizing the NGOs, MFIs and SHGs as “micro-insurance agents”. As a result of which, a great potential impact of growing the density of rural insurance penetration (<https://www.nabard.org/pdf/ChapXI.pdf>).

- **Role of Commercial Banks**

A number of commercial banks have collaborated with foreign insurance companies in order to provide life insurance policies. These results into a huge coverage of insurance as banking outlets (nearly 70,000) and more than 1 lakh cooperative societies could provide the optimum transcend and exposure to micro insurance services to the poor, devoid of any additional business deal costs as well. (<https://www.nabard.org/pdf/ChapXI.pdf>)

THREATS

- **Weak Insurance regulations and oversight**

One of the major threats underlying micro insurance is its weak insurance regulations and oversight. In order to prosper and develop micro insurance sector in the insurance industry it is very essential to regulate the insurance regulations more meticulously.

- **Under-developed capital markets**

India is a developing economy and the capital markets here are mostly under-developed or yet to develop in a full-fledged manner. The under-developed capital markets fail to offer long term insurance products. Therefore, this becomes a hindrance in the path of developing the products and services in insurance industry.

- **Absence of industry performance standards**

Performance standards serve as a benchmark for improvising the performance in any sector. However, in insurance industry there is yet an absence of industry performance standards which is a major threat for insurance industry in general and micro insurance in particular. Until and unless there are standards for comparison of performance no sector can develop on its own.

- **Country prone to natural disasters**

In India there is a high rate of natural disasters which occur almost every year. Floods, famines, drought, earthquakes, epidemics etc are very common in India. Moreover, it is a universal truth that the poor and weaker sections of the society suffer more than the well-to-do class of the society due to their lack of financial support. But as micro insurance mainly deals with the lower level of the society, it has been found that during such natural disasters a major population of the poor people is brutally affected and hence either they fail to survive

or they are left with almost nothing to even afford the basic requirements of life. Thus, to continue the premium payments or to pursue such policies is quite impossible to these people.

- **Poor Infrastructure**

Infrastructure acts as a base in any economic venture. But due to a major lack of infrastructure amenities in the country, there is a huge burden to prospect for micro insurance. As the clients and the insurer providers both face problems and feel reluctant to communicate regarding the efficacy and benefits of the insurance products to the rural and urban poor.

- **Lack of potential resources and cultural issues**

Another important threat in the way of micro insurance is the lack of potential resources and cultural issues. There is a great lack of potential resources which are a must for any economic aspect to develop flawlessly. Moreover the rural poor people are comparatively found to be more prone to cultural beliefs and issues which also act as a barrier in generate a healthy bond between the insurers and the insurance providers.

- **Lack of education and awareness about the benefits of insurance in the economically backward classes**

The vulnerable and economically backward sections of the society also lack minimum primary education and hence are totally unaware about the term “insurance” itself and its benefits too. They think that insurance is nothing but an extra expenditure for them. They fail to understand that how insurance and particularly, micro insurance, which is provided at the minimum possible cost, can assist them at times of individual and group disaster both.

- **Mismatch between needs and standard product design**

The biggest threat underlying micro insurance are the challenges in its product design, development and diversification. This as a result has created a disparity between the requirements and that of the supply of standard products on offer. Therefore, meaning that there has been a subsequent lack of efforts responsible for product design, development and diversification.

CONCLUSION

Micro insurance can make immense difference in standard of living of poor people and help them to raise above the poverty line by acting as a back up against disasters which ruin the whole family. Micro insurance is such a financial support that helps the poor to focus on a better and secured future. During the past decade micro insurance has achieved the due importance and has begun to become a genuine option for low income households so as to have a cushioned protection against unfavorable and sudden events and thereby perform as a mechanism to pursue overall economic and industrial development. However, there exist a lot of hurdles which need to be overcome so as to assure a proper growth and development of this insurance segment. For this more education and awareness programs are to be conducted in order to make people aware of the benefits of insurance as to how it can act as a safeguard against the most unexpected events and also how it is affordable in terms of the cost aspects. Moreover, there are numerous other aspects which need to be taken care of, viz, the present poor infrastructure, lack of potential resources and also the backward cultural issues which have thrust many insurers to make alliance with the local NGOs, governments and local businesses groups or solidarity groups or consolidation of joint interest groups to advertise and allocate the micro insurance products and such innovations happen to be steps towards expansion and growth. Micro insurance providers are turning progressively more towards innovation to adapt and outreach their products to the target group which is the low income population groups through moving towards simplified structures thereby creating flexible premium procedure and reduction of administration, all of which promotes cost reduction, profit-making, understanding and trust.

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