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G. H. Patel Postgraduate Institute of Business Management

SARDAR PATEL UNIVERSITY

NAAC Re-accredited with Grade 'A' (CGPA:3.25) (23-1-2017 to 22-1-2022)

VALLABH VIDYANAGAR - 388 120

GUJARAT, INDIA

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Foreword

The Post Graduate Department of Business Management (MBA Programme) is a constituent department of Sardar Patel University (NAAC Accredited Grade A with 3.25 CGPA) is offering management programme since 1989. It is one of the leading management institutes in Gujarat state.

The University Grants Commission, New Delhi, in recognition of the quality of research in the department had elevated its status for award of special assistance under DRS - II for "Consumer Research in Rural Areas", which was completed successfully in March 2016. The department has also received SAP DRS III (2016 to 2021) for undertaking research on "Transformation of Rural Economy" for five years. The department has completed a project on "Knowledge, Attitude and Perception of Voters in Gujarat" commissioned by Election Commission of India, besides completing many such research studies. All through its journey of providing management education, it has exemplary record in terms of quality education, research and placements.

The department has been contributing to research activities continuously. All the faculty members are actively involved in research publications. It also organises national level seminar every year on varied topics relevant to current scenario to promote research in Management. All the ten faculty members are recognized Ph.D. Guides. More than 100 students have successfully completed their Ph.D. degree from department and sixty are pursuing their doctoral research work.

This research journal provides a platform for regular interaction and exchange of views, opinions and research findings among peer groups. I am confident that this issue of "Synergy", Journal of Management, Sardar Patel University, provides for a great deal of information sharing among teachers and research scholars belonging to the discipline.

I congratulate the editors for bringing out yet another volume of Synergy and appreciate the painstaking task undertaken by them.

Date : 1st May, 2018
Sardar Patel University
Vallabh Vidyanagar

Dr. Shirish Kulkarni
Vice-Chancellor

Editorial

The business in India is getting increasingly linked with global economy since economic liberalization. Business activity is increasingly becoming more challenging due to dynamic environment and more number of variables affecting the same. This has further given impetus to quality research in order to improve decision making.

The present issue of 'Synergy' Volume 20, No. 1 consists of research papers on varied topics related to management. It is our constant endeavor to give opportunity to researchers to publish in different areas of management. This volume covers research papers on issues across various functional areas of Management.

In all seventeen blind peer reviewed papers have been included focusing on topics such as impact of prime minister's speech on stock exchange, happiness at workplace, consumer's personality traits, value chain analysis, implementation of GST, entrepreneurship, corporate governance, impact of receivables on profitability & liquidity, organizational politics, importance of agriculture sector for human development, green banking practices, bancassurance, parent's perception towards co-curricular activity s career option, perception of Asian Indians in USA towards entertainment and HR practices in MSMEs- a case study. This includes reward winning papers under faculty and student category of Sardar Patel University.

On behalf of our editorial team, we sincerely thank all the contributors and look forward to their continued support in sharing of facts, opinions and views in the form of research papers in forthcoming issues as well.

We humbly invite your views and suggestions to strengthen our efforts in making further improvements in publication of "Synergy".

(Dr. Yogesh C. Joshil)

Director

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Mind that Your People are Happy at Work

Harish Kumar* and R. K. Chauhan**

Abstract

Correlation between happiness and productivity is proven. It is a fact that a happy employee believes in being productive. A happy mind is a fruitful mind and mostly culminates into results. Defining the word happiness is a tough task as the term appears to be unbounded in nature. Dissatisfied, demotivated and unhappy employees can hardly be engaged as they remain engrossed with themselves either to be concerned with their issues or to get their issues resolved. People will get dissatisfied and unhappy as this is natural. However, we can try to find out the reasons responsible for their dissatisfaction and unhappiness and make all the necessary efforts to see them contented. Happiness is not snatched rather it is created. You are the cause to happiness and unhappiness. If you keep tools like hatred, jealousy, destructive criticism, self-centredness, greed, anger, mistrust etc. in your tools box, you tend to invite troubles resulting into dissatisfaction and unhappiness. If your tools are sense of appreciation, togetherness, concern for the welfare of others, sharing, caring attitude, trustworthiness and so on, the probability of getting contented and happy will augment.

Key words: Happiness, Employee, Job, Satisfaction, Survey

"We think it's important for employees to have fun... it drives employee engagement."

-Tony Hsieh

Prologue

Correlation between happiness and productivity is proven. It is a fact that a happy employee believes in being productive. A happy mind is a fruitful mind and mostly culminates into results. Defining the word happiness is a tough task as the term appears to be unbounded in nature. Still for the purpose, the term employee happiness can be defined as, "a state of mind of an employee that makes him enthusiastic to contribute to the growth and development of the organization/institution s/he serves. Dissatisfied, demotivated and unhappy employees can hardly be engaged as they remain engrossed with themselves either to be concerned with their issues or to get their issues resolved. People will get dissatisfied and unhappy as this is natural, however, we can try to find out the reasons responsible for their dissatisfaction and unhappiness and make all the necessary efforts to see them contented.

Related concepts

Learning the term HAPPINESS with the help of the letters it contains

Happiness if treated as an acronym it may breed into several terms related to a happy personal/social and professional life. It may look as follows:

H Healthy/Happy/Handsome
A Appreciative/Attentive/Adorable
P Productive/Passionate
P Prosperous/Peaceful
I Interesting/Impressive/interested
N Natural/Non-disputed
E Energetic/Eager to learn
S Satisfied/Sound physical and mental health
S Strong-willed/Smart

Happiness quotient

It is a matter of discourse now that the nation which is happy can develop faster than the nation which is not happy or so-so happy. Gladness and wellbeing of the human beings are the dimensions which make a perceptible difference in national development. Likewise, happy employees can be a great source of support to grow for an institution. Many happiness quotient gauging tools are available. If one finds one's happiness quotient low can come to know about the reasons responsible and improve upon. Shri Shri Anandamurti (2011) mentions that human beings can be distinct as good and bad because of their

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consciousness, and when in trouble they can find a way out. No one likes to live in misery and suffering, far less human beings, whose consciousness can find means of relief. Life without sorrow and suffering is a life of happiness and bliss, and that is what people want. Everyone is in quest of happiness; in fact it is in people's nature to seek happiness.

Employee happiness and national development interplay

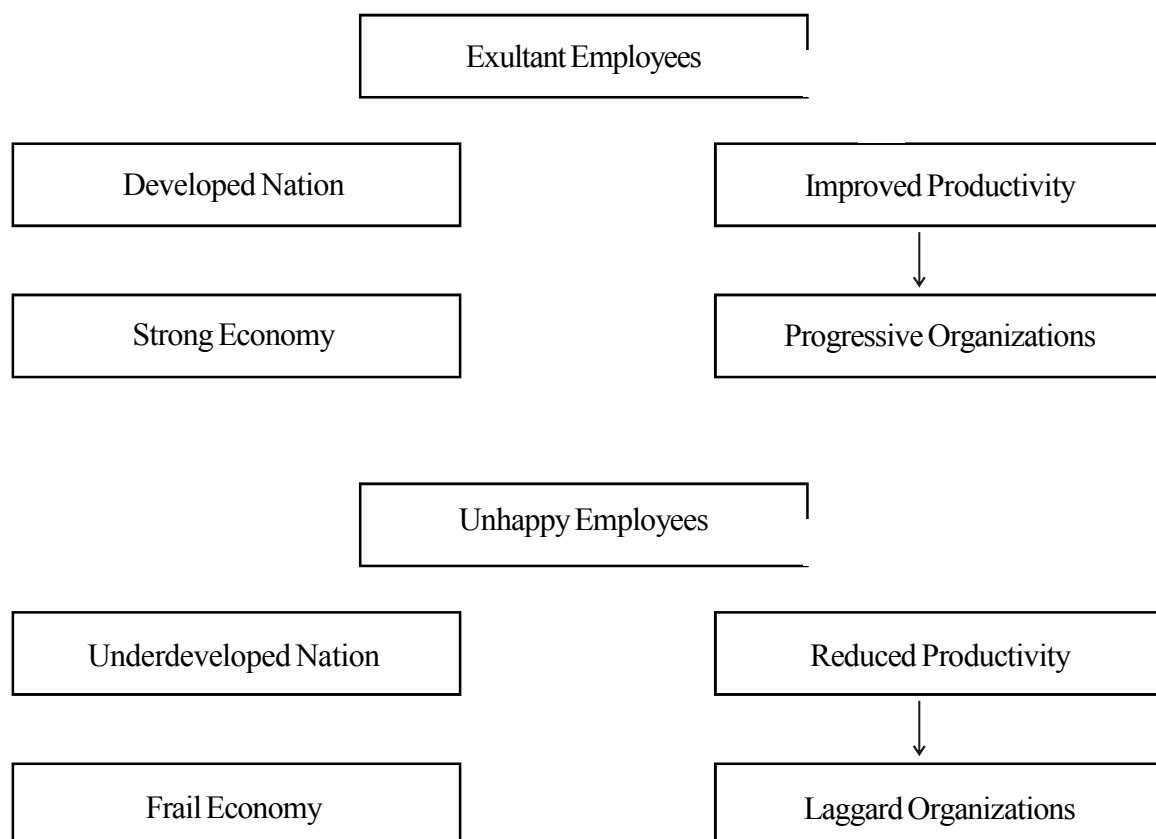
Gross National Happiness (GNH) has now become a catch phrase for an alternative global discourse of development. Some have even hailed it as a new paradigm of progress. The term was coined by Bhutan's former king Jigme Wangchuck in 1972; he had opened up the country to modernisation and democracy. GNH has four pillars: the promotion of equitable and sustainable socio-economic development; preservation and promotion of cultural values; conservation of the natural environment; and establishment of good governance. Prahlad Shekhawat (2013)

UAE, Bhutan and Madhya Pradesh a State in India have put forth ministerial efforts to measure citizens' happiness quotient and not GDP. The state of MP plans the responsibility for happiness and tolerance of its citizen

and deploy psychologists to provide counselling services to the citizens as how to remain happy. United Arab Emirates (UAE) is the only country to create post of Minister of Happiness in the government. There appears to be a very strong interconnection between employee happiness and the national development. As per the virtuous cycle phenomenon, joyful employees are productive and can make their organizations/institutions progressive resulting into a strong economy and advanced nation. A vicious circle suggests that unhappy employees are hardly productive and result into the slow growth of the organizations/institutions. Poor organizations/institutions lead to weak economy and deteriorating nation.

Virtuous Cycle

Jubilant employees will be productive and result into augmented productivity. Organizations putting focus on productivity will be progressive and will lead to a robust economy. An advanced economy is the mark of a developed nation. Other way round, disgruntled employees will be demoralised and hardly be productive. Low productivity level will be resulting into straggler organizations. Slowly growing organizations will lead to weak economy and ultimately an underdeveloped nation.



What does happiness recompense?

Happiness recompenses in a variety of ways. Some of them are as follows:

- Increased level of job satisfaction
- Enhanced motivation
- Improved Productivity
- Employee Wellbeing
- Peace of mind
- Improved earnings
- Good quality of work life
- Good quality of life

Measuring the level of happiness at workplace in a true sense

Individual behaviour is unpredictable. It is difficult at times to be sure that the information being gathered through respondents is dependable or not as people play psychological games. In order to be certain, questions can be posed in a camouflaged manner to probe people in reliable manner. Some of the examples of such questions are as follows:

1. If your boss invites you on dinner, will you go and enjoy?
2. How many times do you go for outings with your family in a month?
3. How many times do you organize parties (Social gatherings) in a month?
4. Do you invite the colleagues close to you to such parties?
5. Do you share the jokes or joyous incidents happening at workplace with your family members?
6. What birth day gift would you give to your boss on his ensuing birthday?

Chants of Happiness

The following mantras support you to be glad. They make your heart free from hatred, your mind free from worries, make your life simple, help in finding out excuses/reasons to smile and inspire expect less of others and give more to others:

- Enjoy the joy of giving.
- Have a positive approach/thinking.

- Help those who are really needy.
- Learn from whom you can learn.
- Crush your ego.
- Appreciate others.
- Be accommodative.
- Have unpretentious friends.
- Live each and every movement.
- Maintain congenial relations with others.
- Don't be over sensitive.
- Learn how to calm down.
- Mind your tongue.
- Say cheese.
- Sleep soundly.
- Have positive emotions.

Why don't you get happy at workplace? What takes away happiness?

Happiness cannot be bought; it is either in you or around you that to free of cost. There is variety of reasons responsible for unhappiness. These reasons can be segmented primarily in two parts-professional and personal/social reasons. Some of them are narrated hereunder:

Professional Issues

- Poor work culture
- Poor amenities
- Strained human relations
- Dirty Institutional Politics
- Mismatch between the job and the job holder in terms of skills and values
- Imbalanced Work Life (Owing to Organizational issues)
- Monotonous Work (Lack of functional autonomy and freedom)
- Poor stress management/burnout
- Employee Alienation
- Favouritism and nepotism

- Lack of institutional support
- Poor utilization of resources
- Poor quality of work life

Personal/Social Issues

- Poor health
- Family problems
- Poor time management
- Poor emotional intelligence
- Professional incompetence
- Monotonous Work (Lack of creativity)
- Poor work life balance (Owing to Individual/ social issues)
- Weak sense of adjustment and accommodation
- Poor physical and psychological well being

What can be done?

Many tips can help in gaining happiness and avoiding unhappiness. Some of the tips are -be realistic, there are no shortcuts to success, failure is a source of learning not a reason for dejection, hold a positive attitude, be optimistic, every dark cloud has a silver line, every night has its morning, when the winter how autumn can be far behind, control your senses, celebrate even small successes, find out reasons/excuses to smile as it makes you S- Smart, M- Motivated, I-Interesting/Impressive, L-Live, E- Enthusiastic/Enabling etc. Alva Edison says, "I have not failed, I have learnt 10, 000 ways that won't work." Happiness cannot be snatched rather it is created. Happiness comes from within. One should know the art of healthy living.

Employee happiness and sense of belongingness model

The model in question is sequential in nature and works fruitfully only when none of the steps of the model is skipped. An employee with high sense of contentment will undoubtedly be motivated and happy and possessing strong sense of commitment, loyalty and sacrifice. **Consequently, his or her sense of belonging will be quite strong.**



What can be done at organizational as well as individual level?

An institution, if interested can ensure the happiness of its people by incorporating the following terms and conditions:

- There ought to be goal and role clarity
- No place for dirty politics at work
- Sound interpersonal relations
- Culture of cooperation, mutual support and trust
- Even-handed distribution of amenities
- Impartial allocation of resources
- Sound grievance redressal system
- Justified reward and punishment system
- High moral values and ethical standards
- Due obeisance to governmental/legal rules and regulations
- Value laden leadership
- Adherence to code of ethics/conduct
- Preference to good governance
- Consistent communication with stakeholders
- Adequate functional freedom and autonomy to boost creativity
- Ensured participation of employees in decision making process
- Balance between work and life

What can be done on the part of the employer?

- Develop a strong mechanism to make it sure that your people are happy at work.
- Conduct employees happiness surveys to ensure the happiness of the employees.
- Provide them with adequate freedom and autonomy to express their views and concerns.
- Meet them personally to know how do they do?
- Create occasions to see them and assure to be happy.
- Discard dirty politics at work place.
- Avoid sycophancy.
- Evolve just and effective reward systems.
- Provide the needed institutional support in terms of amenities and facilities.
- Be transparent.
- Develop ample number of communication systems to be known to the problems of the employees.

What can be done on the part of the employee?

A lot hinges on a person him or herself as if s/he wants to be happy or unhappy. S/he plays a very vital role in making him or her glad or not. Following are the tips to be followed to ensure happiness:

- Don't be so formal.
- Make the boss feel light.
- Be humorous.
- Make the use of literary tools while interacting.
- Be content as happiness hinges upon the level of contentment.
- Look at what you have and make the best use of it.
- Avoid having a lust for the things that belong to others.
- Love others and extend a helping hand when they are in need.
- Have a goal in life and get busy in accomplishing that.
- Evade comparing yourself with others.
- Get out of the clutches of undue desires.
- Do not have a strong sense of possession.

- Know how to say no as reward for the hard work may at times be more work.
- Fill your life with values as honesty, integrity, hard work, altruism and so on so forth.

Checklist:

The following questions contained in the checklist can stand useful:

Personal/Social

1. Are you a good time manager?
2. Do you know the art of getting along with the people?
3. Do you look for the ways to be satisfied and motivated?
4. Are you conscious about health and health related issues?
5. Are you concerned for your personal and social obligations?
6. Do you plan seriously?
7. Are you socially networked?
8. Do you pay adequate attention to your health?
9. Do you get enough time to take care of your dependents?
10. Do you maintain a good life style?
11. Do you make it sure to be happy?
12. Do you guarantee that you are not the part of dirty politics at workplace?

Organizational

1. Does the institution believe in employee happiness?
2. Does the organization have programs, plans and policies for pledging the happiness at workplace?
3. Are the employee satisfaction surveys conducted on regular basis?
4. Does the organization spot the happiest person at workplace and recognize and reward him or her regularly?
5. Does the organization find out excuses to make the employees happy at workplace?
6. Does the institution make it sure that the strained relationships do not become the hurdle in the happiness?
7. Does the institution discourage strongly the dirty politics at work place?

8. Does the organization have effective employee engagement and empowerment systems?
9. Does the institution get connected with the employees through social sites?
10. Does the institution draw plans to retain the employees?
11. Does the institution strive to ensure that it must figure out in the list of first 50 institutions to work for?

Ensuring employee happiness through research

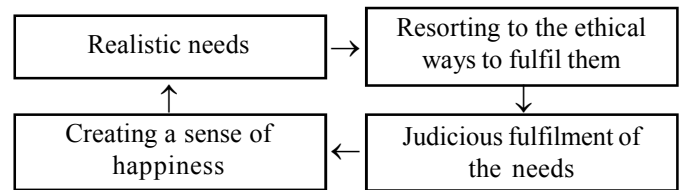
The following questions can be incorporated in the Employee Satisfaction Survey to spot the reasons responsible for discontentment and unhappiness and to put forth workable suggestions to ensure contentment and happiness at workplace:

- How do you do?
- What can I as employer do for you?
- How does your family do?
- How your children are doing in school?
- What makes you happy?
- What do you get unhappy?
- Can you narrate three sources of your happiness?
- Do you get enough time to take your good personal care?
- Do you go to gym regularly?
- When did you take medical leave last?
- Do you have enough time spend with your family members?
- Do you get good support from your supervisor/peers and subordinates?
- Are you happy with the overall functioning of the institution?
- Would you like to continue with the institution?
- How much hike did you get in last five years in terms of promotional avenues?
- What else can be done to make you happier?

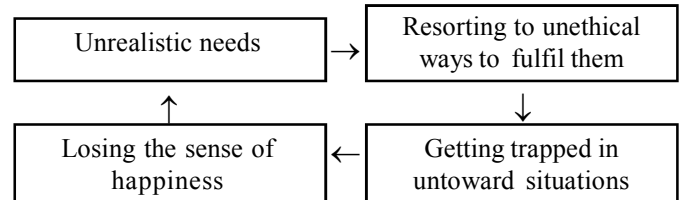
Need fulfilment and resultant happiness chemistry

One should always be sure that the needs realized are genuine in nature and they can also be fulfilled through righteous ways. Resorting to unethical ways to satisfy unrealistic needs can lead to undue pains and woes. The forthcoming figures in name of virtuous cycle and vicious circle will depict this chemistry in a candid manner.

Virtuous Cycle



Virtuous Cycle



How to make the organization a happy workplace?

It is said that the organization should be a pleasurable place so that you can perform in an exultant manner. The following tips can be quite useful to make your workplace as enjoyable place:

- Develop a sense of reliance among the employees. Keep them mentally and physically fit.
- Make your employees feel proud to work with the company.
- Appreciate them whenever they make good performance.
- Never hesitate to give due recognition to them.
- Develop the sense of accomplishment/achievement among the employees.
- Help the employees in striking work life balance so that they can deliver on both the counts personal/social and professional effectively. The employer should make it a point that if the required work has been completed by the employee, s/he needs to be given relaxation/relief. There should be flexi work schedules, work from home etc. facilities.
- There ought to be an open door policy. Keep the work place environment happy and free from stress. Evolve an encouraging work culture.
- The work place should look colourful, playful and there should be transparent glass walls so that the subordinates should never feel hesitant to have discussions/interactions with the boss/superior.

- Define the work. If the vision of the employers is clear and the job description of the employees is well-defined, doing and completing the work will be easier.
- If the people are dropping interest in the work, the work can be enriched through job enlargement and enrichment.
- HR should always be in touch with the employees. Encouraging/motivating captions, celebration notices and rewards can help in making the people happy.
- Workplace is a home away from the home. There is a need to be caring towards the employees.

Arm Chair Incidents

Some of the organizational events are given below with a view to underline reasons that can cause unhappiness at workplace:

1. Strained Interpersonal Relations

Mr. X is working as Personal Secretary in ABC organization. Mr. X is a hardworking employee. He does everything whole heartedly whatever is assigned to him to do. The immediate boss of Mr. X is Ms. Rama. She has a tendency of not trusting the persons. Owing to this, her relations are strained with Mr. X. Despite of hard work and commitment, Mr. X is not happy at workplace as his boss does not trust him and remain suspicious about his performance.

2. How do you get trapped by your boss to be corrupt and lose your peace of mind?

A crooked boss always looks for the persons who are like minded and assist him to put his ideas to practice. He collects inputs about such people through others and looks into the official documents to capitalize on their weaknesses/flaws/loopholes. He gets close to them and persuades them to support him in the accomplishment of his dissolute goals. The persons with professional defects get easily influenced and start supporting the boss so as to save their skin. Once you get into a vicious circle you give up your happiness.

3. How do you make your boss corrupt and then unhappy?

The people with greed and bad intensions strive to get close to the boss. They try their level best to learn what

and whom the boss likes and what and whom s/he dislikes. They become the proven sycophants by incessant practice, and start doing what boss enjoys and evading what s/he discards. They appreciate those people whom the boss likes and censure them whom the boss avoids and win over the heart of the boss and become loyal to him. They deliberately generate such problems, solutions to which are known to them. They persuade the boss to commit mistakes by avoiding rules and then try to trap him for these mistakes and violations to get their personal vested interests served. Once the boss gets into the clutches of such people he is deprived of his sense of joy.

Epilogue

Happiness is not snatched rather it is created. You are the cause to happiness and unhappiness. If you keep tools like hatred, jealousy, destructive criticism, self-centredness, greed, anger, mistrust etc. in your tool box, you tend to invite troubles resulting into dissatisfaction and unhappiness. If your tools are sense of appreciation, togetherness, concern for the welfare of others, sharing, caring attitude, trustworthiness and so on, the probability of getting contented and happy will augment. The preaching given in the epics/holy books can teach us as how can we have control over our senses by developing a strong sense of differentiation as what should and what should not be done. Use of face scale can be made to gauge the level of happiness of the employees. Researches have proven the fact that mood affects the productivity and resultantly the progress. An employee in a happy mood can prove to be more productive. John Kabat Zinn has rightly said, “You can’t stop waves but you can learn how to surf”. Our own thinking can make us happy or unhappy. The whole idea is encapsulated in the following lines of Urdu poetry:

*Keyoon bevajah dhoondhte firte ho khusheeyan
yahan vahan,*

*Ye vo cheez hai janab jo kahin khud hi main
raha karti hai.*

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Challenges and opportunities of Rice mills in Haryana: A Diamond Framework Analysis

N.K. Bishnoi* and Anand Kumar**

Abstract

The purpose of this paper is to investigate the competitiveness of rice mills in Haryana by applying the diamond framework analysis suggested by Porter. For analyzing the competitiveness of rice mill industry in Haryana, six components suggested by Porter namely factor condition, demand condition, firm's structure, status and rivalry, related and supportive firms, innovation and government are employed. These components help in identifying the status, structure and other related paradigm of the industry. We have collected primary information from 100 rice mills through structured questionnaire. Exploratory Factor analysis and Confirmatory Factor analysis are used to process the collected information. The results indicate that rice mills in Haryana are competitive.

Introduction

The term competition is always an interesting topic. The appearance of competitiveness reports by major international organizations, i.e. World Economic Forum (WEF), have laid the solid ground about the measurement of competitiveness (Chikan, 2008). The competitiveness is a capability and its potential has to be realized in a firm's everyday operations. As Porter (2004) says, "unless there is appropriate improvement at the microeconomic level, macroeconomic, political, legal and social reforms will not bear full fruit". Competitiveness of firms has been studied in the interdisciplinary fields of strategy, operations and economics (Ambastha & Momaya, 2004). Research presents many perspectives and frameworks at the country, industry and firm level. While some studies focus on individual firm and its strategies for global operations, some others observe the role of management in competition (Oral, 1993; Offstein et al., 2007). However, measuring competitiveness of firms and benchmarking with other companies are negligible in the literature (Oral et al., 1999; Oral, 2009).

The term competitiveness is normally applied to "bloc" economies, entire country, region within countries, industry sectors, individual firms, and even to the products and services of firms (Moon and Peery, 1986). There is a intense debate on the entity of competitiveness. Most of the researchers normally use the term of competitiveness to refer to an extent to which an industry or a firm has succeeded in comparison to its competitors in a domestic or international market. According to Oral (1986) when we extended the meaning to entire economies there are number of levels of competitiveness. In this, the term competitiveness equal to strong economic performance for a nation in comparison to others. In such a case, tough

performance means economic growth, success in exporting, and improved welfare is equally important.

Competitiveness is also considered as an interaction between the customer and shareholder values, by matching and improving the organizational ability to act and react through its financial strength (Feurer and Chaharbaghi, 1994). Corbett and Van Wassenhove (1993) state that a firm's competitiveness has price, place and product dimensions. Oral (1986) suggested that competitiveness is a feature of the firm's uniqueness of the industry, its high cost and potential within the related economic environment. This creates a need for both an internal and external conditions of competitiveness. In this way, the competitiveness of a firm or industry is considered when economically related conditions such as a high education, productivity, natural resource, technology and good business and economic policies can apply a significant impact on the competitiveness of specific firms and industries. The topic of competitiveness is often presented from a national viewpoint. The World Economic Forum (WEF) publishes "The Global Competitiveness Report" annually, and the IMD World Competitiveness Centre (2014) publishes its "World Competitiveness Yearbook" yearly as well. These studies have a macroeconomic viewpoint, emphasising on the country and its economy as a whole. According to Michael Porter companies achieve competitive advantage through acts of innovation. They approach innovation in its broadest sense, including both new technologies and new ways of doing things. Innovation can be manifested in a new product design, new production process, new marketing approach, or new way of conducting training (Porter, 1990). Porter's five forces model apply a particular attention on five forces that influence any industry

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or firm: threat of new entrepreneur, intensity of rivalry, threat of substitutes, bargaining power of consumers and bargaining power of suppliers (Porter, 1985). The model can also help different universities as they define the new parameters which help in applying new rules, new participants and markets continue to emerge.

Foodgrain Production in India

One of the achievement of modern independent India has been its self sufficiency in feeding its more than 130 million population successfully. Food grain production in the country grew from 51 million tonnes in 1950-51 to 252 million tonnes in 2015-16. The production of wheat and rice took off after the green revolution in the 1960s, and as on 2015-16, wheat and rice accounted for 78 percent of the foodgrain production in the country. India is the second largest producer of rice in the world with more than 20 per cent of world output. The output of rice increased from 21 million tonnes in 1950-51 to 104 million tonnes in the year 2015-16. India's domestic consumption of rice is around 95 percent of its total output and remaining 5 percent of rice is exported. Interestingly India is the third largest exporter of rice, after Thailand and Vietnam. Large quantity of foodgrain is generally lost due to inefficient milling processes in India (Singha K. 2013). Therefore, there is an urgent need to improve the rice milling process in the country.

Major global players include Thailand, China, USA and UK in rice production and trade. These countries primarily produce coarse-small grain rice. In Europe and UK also import brown semi processed Basmati from India and process it further. The milling industries of these countries are relatively more advanced with state of the art automatic rice milling technology and human resources are equally qualified. The rice mills in advanced countries employ modern management concepts including TQM and also focus on R&D activities. In case of non Basmati rice, major competitors of India are Thailand, Philippines and Vietnam. However, India is world leader in export of Basmati rice with Pakistan as close competitor.

In India the rice milling units are spread mainly in the state like U.P., Punjab, Haryana, Orissa, West Bengal, Andhra Pradesh, Tamilnadu, Bihar, and Assam. Most of the states produce both variety of rice namely Basmati and non-Basmati. The Basmati varieties are mainly produced in Punjab, Haryana, U. P. and Uttaranchal. However, Haryana contributes a lion's share in export of fine long

grain Basmati with 75 percent of total export of Basmati from the country.

Rice is the processed output of paddy. In fact paddy has two different shell called bran (inner shell) and husk (outer shell). The paddy is transformed into rice by removal of both the coverings properly through milling processes. The conversion ratio from paddy to rice is really important and has important bearing on cost competitiveness of rice mills. Generally, rice is susceptible to breakage during milling processes if due care is not taken. Therefore, efficient milling processes is a must for higher recovery ratio of rice from paddy and also quality of rice. It is one of the most important cure for avoiding post-harvest loss.

According to Joshi and Bhavesh (2004), around 10 per cent of the production of paddy is lost in India due to the use of inefficient and obsolete techniques of drying and milling processes. Different studies provide different figures, however, it is indisputable that there is significant loss of precious rice due to lack of modernized rice milling methods. Therefore, there is an immediate need to update rice milling technique in the country to prevent post-harvest loss. India being developing country does not has an organized rice milling in the country. The rice mills once established have invariably not been able to keep pace with advance in technology and management. Therefore it becomes imperative for us to discuss rice milling process in detail.

Rice Milling

The rice milling is evolving economic activity as processing is continuously improving. It implies that the rice milling in the country as well as in Haryana range from outdated and inefficient technology to modern state of the art modern rice mills. The rice milling is also subject to economies of scale and scope and therefore bigger firms are expected to be more competitive and profitable. Rice is the end product of paddy after various production operations. The basic objective of a rice milling system is to remove the husk and the bran layers, and produce an edible, white rice kernel that is sufficiently milled and free of impurities. Modernization of rice mill yield more rice from it, and come with more competition between the rice mills.

Process Technology and Flow Chart

Two types of rice are produced by milling of paddy in the rice mills. These are:

- Raw Rice
- Parboiled Rice

some machinery suppliers with foreign collaboration have

The manufacturing of raw rice and parboiled rice from paddy involves the following major steps:
→ Cleansing of Paddy using paddy cleaner
→ Parboiling of cleansed paddy
→ Mechanical Drying of parboiled paddy using steam
→ Milling of parboiled and dried paddy using Sheller type milling machines
→ Separation of husk using sieve cleaning of rice
→ Polishing of rice using parling cones
→ Separation of rice bran using sieve
→ Separation of broken rice (broken) using sieve
→ Weighing & Bagging of rice & by-products
<i>(Adopted from Mrs. P. Nalini, Namex International Journal of Management Research 103 Vol. I, Issue No. 1, December 2011)</i>

The paddy is raw material and rice is end product after milling. In the process rice bran, rice husk and broken rice are also generated as by-product. The husk is the outer skin of rice and it is a stringy matter with good amount of silica. The bran is a fine dust like powder generated during polishing of the brown rice. It contains vegetable oil as a valuable constituent.

Production process related problems

- In the process of parboiling water affluent is generated and is harmful. The rice millers are getting problem to store it.
- Rice husk is the cheapest fuel for generating steam but the waste product fly-ash is another headache for disposal for the millers.

Technology related problems

Technology is changing day by day. A number of rice mills are having old technology that consume more electricity and are inefficient. The technology adopted by the rice millers occupy more space, consume more energy, pollutes air and water. Old technology is relatively costly and also more polluting.

Plant and Machinery suppliers

Plant and machinery in use are mostly fabricated items from local fabricators. The technology used by the rice millers in their plants is not up-to-date as the plant and machinery manufacturers and suppliers from whom they procure such items have weak linkage with the R&D institutions. Further, the millers have very poor accessibility to foreign suppliers of costly advanced plant & machinery with high productivity and automatic control. Although

established their shops in India but most of mills are still not trying to update their technology in real sense. The existing technology is not energy efficient and also demand much higher maintenance cost. As a result the productivity of the rice mills in the country is low and quality of output not upto required level.

Management Issues of Rice Milling in India

The rice mills in the country are generally in unorganized sector and top management lacks in clear cut vision of the future. Further, the management lacks well defined long term policy with regard to rice milling industry in the country. Therefore the mills have not been able to improve their management process. There is no visible efforts to increase the scale of operations to benefit from economies of scale and scope. Similarly the rice milling being a seasonal activity requires large stock paddy as well as rice or meeting perennial demand of rice in India as well as abroad. In other words the requirement of working capital is relatively much high. However, there is no arrangement of low cost loan to rice mills in the country.

For chain of buyers (whole seller, retailer, consumer)

In addition the poor quality of rice command lower price in the market thereby adversely affecting the profitability and long run survival of the rice. It is a well known fact that only good quality rice can be branded for realization of higher price in the market. In India most of the rice is coarse cereal and consumed as mass commodity. There is an urgent need to improve the technology, management and marketing practices to improve the overall health of rice milling in the country that would ultimately benefit the farmers.

Rice Milling in Haryana

Haryana is a relatively small state. It does not have any perennial river. Moreover rainfall in the state is also low and climate is semi arid. Interestingly, despite not so favourable geographical conditions, Haryana has been a pioneer in adopting green revolution led modern agriculture practices. The foodgrain production in Haryana in the year 1966-67 at the inception of the state was 25.9 lakh tonnes that increased to an impressive figure of 162.9 lakh tones in 2015-16. Similarly, in the state the paddy (rice) output in 1966-67 was only 2.2 lakh tonnes that increased to 41.5 lakh tonnes in 2015-16 (Haryana Economic Survey 2016-17). The major factor behind impressive performance of rice output growth has been increase in yield per hectare in Haryana. Presently its yield per hectare is 3100 kg that is significantly more than all India yield of 2400 kg. per hectare. As already mentioned the paddy needs proper milling process to convert paddy into rice and generally the conversion ratio from paddy to rice varies between 50 percent to 70 percent. It means, from 30 percent to around half of the paddy is discarded as rice husk and other material (by-products) that command relatively lower value in the market. The economics of conversion ratio dictates that the paddy must be processed near the production area to avoid costly transport of less valuable husk alongwith rice. Moreover, rice milling is an activity that is invariably located in rural areas and therefore encourage rural industrialization with its attendant positive spillover effects for the development of the entire area.

In the year 2016 about 42 lakh tonnes of leviable paddy would arrive in the mandis and purchase centres of Haryana. Procurement agencies share of purchase would be around 41 lakh tonnes. The rest about 1.00 lakh tonnes is expected to be purchased by millers and dealers. This way the procurement agencies are expected to contribute about 27.47 LMT of custom milled rice (CMR) in the central pool.

Procurement Agencies

There are five procurement agencies in Haryana namely: Food and Supplies Department 33%, Haryana State Co-operative Supply and Marketing Federation Limited (HAFED) 33%, Food Corporation of India 12%, Haryana Agro Industries Corporation 10% and Haryana

Warehousing Corporation 12% that procure paddy at government declared minimum support price every year.

Rice Milling Policy and Practices in Haryana

The number of functional rice mills in the State is about 880 in 2016-17. The millers buy leviable Paddy as well as do custom milling of rice (CMR) purchased by the procurement agencies. For doing CMR work each rice miller is required to get registered with the concerned District Food & Supplies Controller. The registration of rice mills is presently done for 3 years with same registration fee from 2015-16. The rice millers doing the CMR work are under obligation to adhere to various terms and conditions and guidelines issued by the Government from time to time.

Allotment of Paddy by the Procurement Agencies to Rice Mills

Allotment of rice mills for custom milling of Paddy is made by District Milling Committee. At the time of allotment, the performance of the millers during the previous years is also taken into account. The miller are liable for maintaining the out-turn ratio of rice of 67% or as per Government of India instructions. The research shows that out-turn ratio may vary from state to state depending upon various conditions and 67 percent rice from paddy is a healthy sign and reflect superior quality of rice and its milling process in the state.

Payment of milling charges

In Haryana as per the laid down policy by the government from time to time, the milling charges are Rs.10/- and Rs.20/- per quintal of paddy for raw and parboiled rice respectively. All by-products viz. broken rice, rice kani (rice husk and rice bran etc.) is also the property of the rice miller. The rice miller is responsible for payment of all central and state taxes, duties levies, cess etc. wherever applicable on by-products obtained from milling of paddy. In addition, the driage charges is also permitted @ 1% of MSP of paddy of raw rice. However, no driage charge is allowed on parboiled rice.

Traders of rice, rice bran and husk

The rice as per existing practice is returned to pre designated central government agencies by the rice mills and therefore the millers do not require any marketing effort in this regard. Rice bran, a valuable by-product of rice milling, is mostly sold to the solvent oil extraction units located in nearby places. A part of rice bran

production is also sent outside the state through local traders. There are number of rice bran traders operating presently in the state. Most of the rice husk produced in the state is burnt as fuel in the boilers for steam raising and also for power generation using gasifiers and gensets. Only the excess quantity after meeting the above requirements is sold to the traders.

Exporters of rice

In Haryana, the total Basmati area has been 6.2 lakh hectare. The production of Basmati in the state is around 5.9 lakh tonnes. The per hectare yield of basmati is not very high and it is also susceptible to pest and disease attack. However the quality is very good and therefore there is tremendous demand in national and international market. It is of interest to note that international market of basmati is very thin and therefore slight increase in output put pressure on price disproportionately. Brand building is the option to manage demand and price but brand of basmati from Haryana state is not highly differentiated and therefore price premium is also limited. The basmati export is also constraint by absence of sufficient modern milling facilities in the state that is further aggravated by availability of excess capacity in milling of rice. Overall we can say that demand and thereby scope of basmati rice in national as well as international market is tremendous. However the unresolved issues of Basmati rice industry in Haryana have been acting as hindrances in realizing its true potential.

Table 1: Rice Mills in Haryana: Major Districts

Distt	Ambala	Karnal	Kurukshetra	Yamunanagar	Faridabad	Kaithal	Sirsa/ Fatehabad	Jind
No of mills	72	175	109	43	49	103	40	29

Source: (haryanariceindustry.com)

The cultivation of rice and also the rice mills are spread in almost all of Haryana except southern part of the state. However, major cluster of rice mills is located in Karnal, Kurukshetra, Kaithal and Ambala. This belt consists of both coarse rice mills as well as fine long grained Basmati rice mills. Further in these districts particularly in Karnal and Kurukshetra a number of rice mills are employing latest technology and scale is also relatively large. In all other areas except some exceptions, most of the rice mills are old using outdated technology and interested in only processing of government provided paddy for pre determined processing charges. In this way they claim they have been earning a decent profit and they are

satisfied with the state of affairs. In other words these mill owners are simply not interested in exploring the possibility to improve their profitability. The situation is not a happy one for the state as the fast changing dynamics can render a number of traditional rice mills uncompetitive and unsustainable in near future and that would put a great burden on the economy of the state. Therefore we have decided to investigate the matter in more detail.

Review of Literature:

This study evaluates how various conditions affects the rice mill industry of Haryana. Basically it is a examination of all relevant factors which directly or indirectly affect the competitiveness of rice mills of Haryana. We have employed the Diamond framework developed by Porter for assessing the competitiveness of firm. Porter's Diamond Model framework defines the norms of competition in an Industry and highlights what is important in order to have long-term advantage of competitiveness. It broadly establishes a conceptual framework of competitive analysis of industries or nations. His model based on of four determinants: factor conditions, demand conditions, related and supporting industries, and firm strategy, structure, and rivalry. Porter (1998) views demand conditions in terms of the size of a market and demanding and sophisticated buyers. Related and supporting industries Porter (1998) suggested that the coordination of supplier and related industries within a nation that helps them to compete and also provides benefits such as innovation, information flow, upgrading technology

development which enhance advantages in poor industries. The last factor is firm strategy, structure, and rivalry, referring to "the conditions in the nation governing how companies are created, organized, and managed, as well as the nature of domestic rivalry".

Chobanyan and Leigh (2006) constrains the Diamond framework model in the case of Armenia, a small economy, in order to reach at the conclusions regarding its present situation, future prospects and appropriate policies for development. Oral and Mistikoglu (2007) used Porter's Five Force Model to analyze the brick industry's status and examine that which are the factors

affecting competition in Turkish brick industries. Shafaei (2009) created an analytical approach in process of measuring the competitive performance of four large Iranian synthetic fibre-manufacturing companies, which is one of the important sectors in the textile industry on the basis of the Diamond framework model. In the same year, Shafaei et al. (2009) investigated the leather industry's competitiveness in Iran and gave similar recommendations to improve the competitiveness of the industry based on Porter's Diamond framework model of competitive advantages. While some studies emphasise on individual firm and their strategy for different global operations, many others observe the role of management in different levels of competition (Oral, 1993; Offstein et al., 2007). However, measuring the term of competitiveness then the firms and benchmarking with other companies are negligible in the literature (Oral et al., 1999; Oral, 2009). This is quite surprising that measuring of the competitiveness of nations has fully developed with respected of benchmarking studies which are available.

Research Methodology

The study is based on the information and data collected from various rice milling industries, associations and institutions through a structured questionnaire. The questionnaire was pre-tested on around 15 firms and was slightly modified on the basis of feedback received in pre-testing phase. Overall 112 firms responded. On examination of the collected data responses of 12 firms were omitted finding the information either incomplete or inaccurate. The information collected through questionnaire was further substantiated by way of personal discussion with the concerned stakeholders including rice mill owners, rice milling association officials, government officials and others.

Based on Porter's five forces and external environment, we have taken six determinants namely, demand conditions, factor conditions, firm's structure, status and rivalry, related and supportive firms, innovation and government with specific reference to competitiveness of rice mills of Haryana state. The questionnaire is based on five point likert with values from 1 to 5.

Exploratory factor analysis

Exploratory Factor Analysis was applied on the primary data to uncover the underlying structure of variables. EFA is a technique within factor analysis whose overarching

goal is to identify the underlying relationships between measured variables. In exploratory factor analysis (EFA), data is explored and provides information about the number of factors required to represent the data. In exploratory factor analysis, all measured variables are related to every latent variable. This was accomplished by using the software SPSS (Statistical Product and Services Solutions) version 21 and six main factors were found. Since the questionnaire was based on Porter's diamond framework that is based on factor conditions, demand conditions, related and supportive firms, firm's strategies and structure, innovation and government. The factors were named as Demand condition, Government, Factor condition, firm strategy, Innovation and Related & Support. Factor Demand condition comprises six items such as Q4, Q6, Q13, Q5, Q31 and Q27 from the questionnaire. Factor Government comprises seven items such as Q16, Q17, Q37, Q39, Q40, Q38 and Q41. Factor named as Factor condition comprises seven items such as Q7, Q12, Q8, Q9, Q19, Q10 and Q18. Factor Firm strategy comprises seven items such as Q1, Q2, Q24, Q29, Q30, Q35 and Q36. Factor Innovation comprises five items such as Q28, Q32, Q33, Q34 and Q46. And factor Related & Support comprises four items such as Q26, Q42, Q44 and Q47.

The Cronbach's alpha was calculated for each factor, as a measure of internal reliability, which was calculated using SPSS v21. After defining and checking the reliability of each factor using explanatory factor analysis, Confirmatory Factor Analysis was used for further analysis.

Confirmatory Factor Analysis

After performing the EFA, the next step is Confirmatory Factor Analysis (CFA) to confirm the factor structure extracted from the explanatory factor analysis. Confirmatory factor analysis was performed using IBM AMOS version 24. The path diagram was drawn using measured and latent variables through graphical user interface and all the latent variables were connected and covariance was calculated for each factor. Standard estimates, regression weights, model fit indices and other variables were calculated using AMOS v24. There are various parameters involved in the model fit summary. But the important one are CMIN, DF, CMIN/DF, CFI, SRMS, RMSEA and Pclose. The cut off values for these variables are as follows:

Table 2: Confirmatory Analysis Results

Measure	Terrible	Acceptable	Excellent
CMIN/DF	> 5	> 3	> 1
CFI	<0.90	<0.95	>0.95
SRMR	>0.10	>0.08	<0.08
RMSEA	>0.08	>0.06	<0.06
P-Close	<0.01	<0.05	>0.05

Result and discussion:

The measurement model comprised of 37 items. All the indicators had significant loadings onto the respective latent constructs ($p < 0.001$) with values varying between 0.495 and 0.933. As tabulated in table 3, the measurement model exhibited an acceptable model fit of the data (CMIN = 988.587, $df = 579$, $p < 0.001$; CMIN/ $df = 1.707$ (< 5); CFI = 0.84; TLI = 0.826; IFI = 0.843; NFI = 0.69; PNFI = 0.634; PCFI = 0.772; PRATIO = 0.919 and RMSEA = 0.085). All the indicators are loaded, with very high significance, on the latent variables.

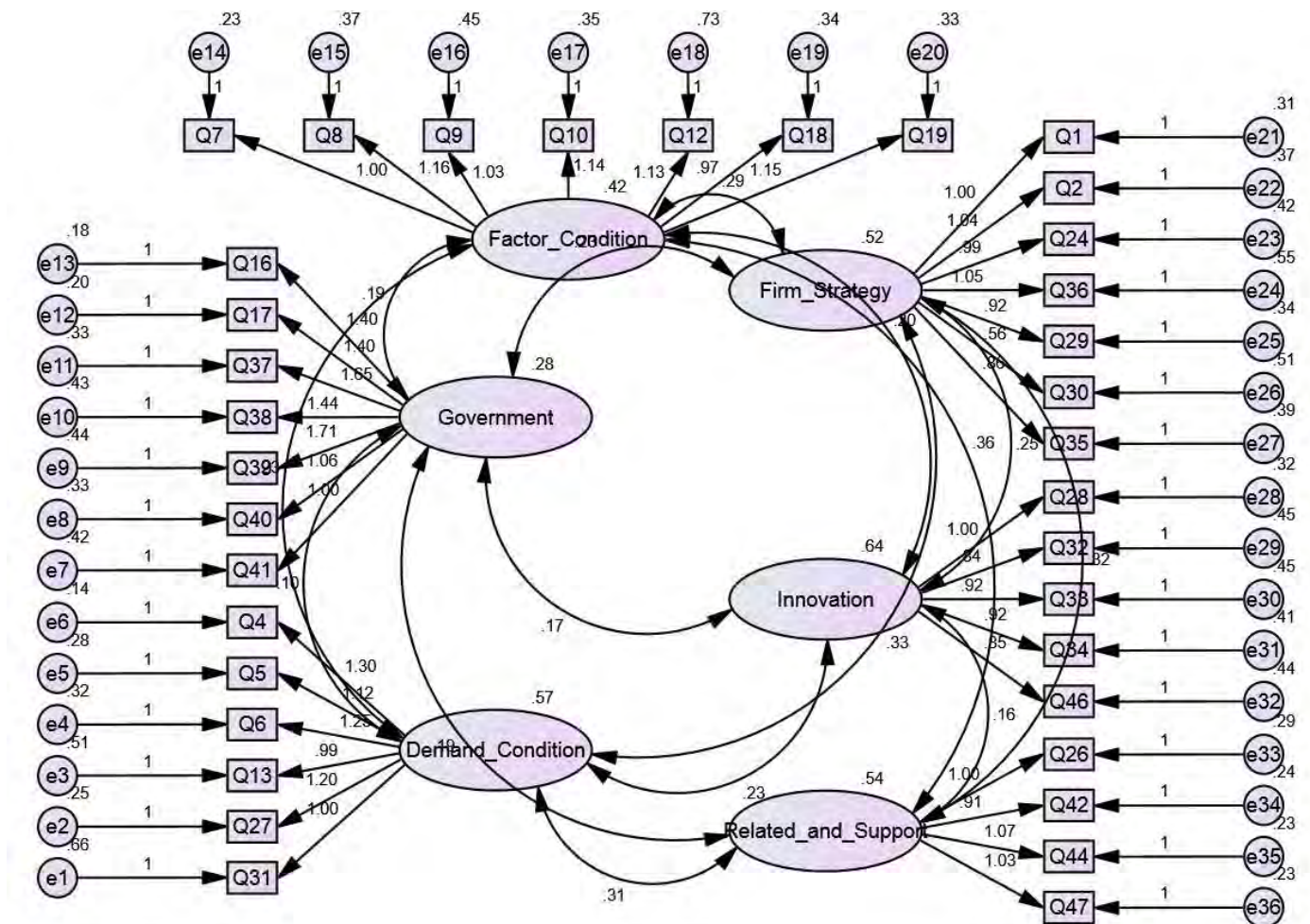
The values of the fit indices indicate a very good fit of the model with the data. Overall, the measurement model confirms to the six-factor structure which is exhibited in figure 1 with corresponding factor loading.

Table 3: Goodness-of-fit results

All the indicators are loaded, with very high significance, on the latent variables. The values of the fit indices indicate a very good of the model with the data. This examination of estimated fit was supplemented by an examination of the significance of standardized regression weights. The variables demand condition, government, factor condition, firm strategy, innovation and related and support were significantly associated with 37 items (Table 4). Overall, the measurement model confirms to the six-factor structure which is exhibited in figure 1 with corresponding factor loading.

Figure1: Final standardized CFA for six factors with 37 items.

Model	CMIN	DF	CMIN/DF	CFI	GFI	TLI	SRMR	RMSEA	P Close
1	988.587	579	1.707	0.840	0.671	0.826	0.086	0.085	0



Reliability

The Cronbach's alpha is the measure of internal consistency, that is, how closely related a set of items as a group. It is basically a coefficient of reliability. The Cronbach's alpha for the factors Demand conditions, Government, Factor condition, Firm strategy, Innovation and Related & supportive were 0.926, 0.913, 0.895, 0.876, 0.865 and 0.896 respectively which are significant and acceptable and this shows that the factors are reliable. Moreover, the proofs of the reliability of the scale is provided in the table, which shows the composite reliability and average variance extracted scores of the different factors Demand conditions, Government, Factor condition, Innovation, Firm strategy and Related & supportive. Composite reliability (CR) of all the latent variables is much greater than the acceptable limit of 0.70. The average-variance extracted for all the factors is greater than 0.5 which is far better than acceptable.

Table 4: Standardized regression weights factor loading

Items	Direction	Variables	S.E.	C.R.	P
Q31	<---	F1			
Q27	<---	F1	0.153	7.842	***
Q13	<---	F1	0.145	6.844	***
Q6	<---	F1	0.159	7.86	***
Q5	<---	F1	0.146	7.67	***
Q4	<---	F1	0.155	8.335	***
Q41	<---	F2			
Q40	<---	F2	0.175	6.069	***
Q39	<---	F2	0.256	6.668	***
Q38	<---	F2	0.226	6.386	***
Q37	<---	F2	0.240	6.879	***
Q17	<---	F2	0.201	6.986	***
Q16	<---	F2	0.198	7.075	***
Q7	<---	F3	?????	?????	?????
Q8	<---	F3	0.135	8.568	***

Table 5: Construct validity

	CR	AVE	Demand condition	Government	Factor condition	Firm strategy	Innovation	Related & Support
Demand condition	0.927	0.681	0.825					
Government	0.917	0.615	0.258	0.784				
Factor condition	0.9	0.563	0.474	0.556	0.75			
Firm strategy	0.878	0.512	0.611	0.588	0.61	0.715		
Innovation	0.866	0.564	0.377	0.403	0.384	0.426	0.751	
Related & Support	0.897	0.685	0.553	0.49	0.744	0.608	0.269	0.827

Q9	<---	F3	0.138	7.429	***
Q10	<---	F3	0.135	8.477	***
Q12	<---	F3	0.162	6.958	***
Q18	<---	F3	0.125	7.792	***
Q19	<---	F3	0.134	8.53	***
Q1	<---	F4	?????	?????	?????
Q2	<---	F4	0.124	8.335	***
Q24	<---	F4	0.128	7.752	***
Q36	<---	F4	0.143	7.302	***
Q29	<---	F4	0.116	7.891	***
Q30	<---	F4	0.116	4.874	***
Q35	<---	F4	0.119	7.208	***
Q28	<---	F5	?????		
Q32	<---	F5	0.117	7.207	***
Q33	<---	F5	0.119	7.741	***
Q34	<---	F5	0.115	8.055	***
Q46	<---	F5	0.116	7.354	***
Q26	<---	F6			
Q42	<---	F6	0.101	8.963	***
Q44	<---	F6	0.112	9.542	***
Q47	<---	F6	0.11	9.355	***

Construct validity

Construct validity is the limit to which a set of measured variables actually reflects the latent construct they are supposed to measure. Construct validity is established by establishing the face validity, convergent validity and discriminant validity. Face validity was checked by adopting the observed items used in the study from the existing literature and adapting the same to the present research context. Convergent validity was checked by observing the factor loadings and average variance extracted of the constructs. All the indicators have significant loadings onto the respective latent constructs ($p < 0.001$) with values varying between 0.408 and 0.903. Further, the average variance extracted (AVE) for construct Demand conditions, Government, Factor

condition, Innovation and Related & supportive is greater than 0.50, which further supports the convergent validity of the constructs.

Divergent validity represented in the table 5 through the average variance extracted of the corresponding. As the values of the AVE with itself are maximum as compare to the others constructs, which are supports the discriminate validity of the constructs. Thus, the measurement model reflects the better construct validity.

The CFA, measurement has a good fit with the data based on assessment criteria such as GFI, CFI, TLI, RMSEA. All CFAs of construct produced a relatively fit as indicated by the goodness of fit indices such as CMIN/df ratio (<2); p-value (>0.05); Goodness of Fit Index (GFI) of >0.95 ; and root mean square error of approximation (RMSEA) of values less than 0.08 (<0.08). Confirmatory factor analysis of measurement models in this study shows and indicate adequate a good fitness of model. The measurement model exhibited an acceptable model fit of the data (CMIN = 988.587, df = 579, $p < 0.001$; CMIN/df = 1.707 (<5); CFI = 0.84; TLI = 0.826; IFI = 0.843; NFI = 0.69; PNFI = 0.634; PCFI = 0.772; PRATIO = 0.919 and RMSEA = 0.085).

Overall we can summarize that the rice milling industry is Haryana is doing well and does not face much difficulty as such. the finding is somewhat counterintuitive and therefore need more careful look. In fact during personal discussion it was revealed that most of the rice millers are contended with milling the rice provided by the procurement agencies that gives that assured work and almost risk free handsome return. In fact present government policy permit rice millers to retain rice bran, rice husk and broken rice in addition to a nominal charges. In simple terms assured market with reasonable profit discourage most of them to modernize their plant and make it more efficient by infusion of latest technology and management practices. Moreover, lack of competition also make the millers complacent to look for innovative marketing practices.

There are a number of modern rice mills also operating in the state that deal in direct purchase of paddy and its conversion into rice for further sale in the country as well as abroad. Almost all the Basmati rice exporters are into this category. Interestingly these rice millers are more competitive as they are already having superior technology, advance management practices and in many cases branding of their product for better value realization.

Therefore it is suggested that government must tweak its rice milling policy to encourage more competition and better value realization by the government. In fact the complacency in rice milling circles indicate that existing rice milling provisions are highly loaded in favour of rice millers. Therefore there is a need to revisit the policy, particularly the provisions regarding retention of all other by products including rice husk, bran and broken rice by the millers. Therefore it is proposed that a pre determined charges per tonne of rice milling may be prescribed and by-products should also be properly accounted for by the procurement agencies. This way the agencies would be able to reduce their subsidy to some extent and rice mills would be compelled to improve their functioning.

The government should also initiate a time bound action plan to modernize the rice mills of the state by offering a favourable term loan scheme. Other issues like availability of power, better infrastructure etc also need to be put in place for the benefit of this crucial sector.

Conclusion

It is realized that the rice mill industry of Haryana is doing well by several ways for the attainment of Haryana's economic objectives, especially economic development and poverty alleviation in the rural as well as in urban areas. However, this industry is facing several kinds of problems such as infrastructural problem, outdated technological, lack of innovative ideas and structure etc. However many of the problems could be solved out within and by the industries and also requires some government initiative.

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Value Chain Analysis of Coconut in West Bengal

Neeraj Anand¹ and Nishu Gupta²

Abstract

Coconut crop forms an important constituent of food basket of the people of West Bengal and meets the economic needs of people dependent on its marketing. This study focuses on the economic feasibility of fresh organic coconut in West Bengal and other important factors such as quality, volume, logistic and standard that is involved in the supply of one container of fresh organic coconut from West Bengal to Malaysia on monthly basis.

The purpose of this study is therefore to assess the transportation cost of exporting one container of fresh organic coconut from West Bengal to Malaysia every month.

The study directed in West Bengal 5 villages has scrutinised the market chains for organic coconut to find the flow of goods from farmers through different mediators to the consumers. Prices and market margins have been computed at different stages of the chain in order to reflect the value addition through various participants of the chain. Marketing networks have been found to be well recognised in the state, particularly in the coastal areas. No major value addition is done by the players at any level.

The existence of functional channels explains that production and marketing system of coconut in the state can manage both increased supply and increased demand. The study has experimental a high ratio of vendors v/s farmers and aggregators v/s vendors in the channel. In spite of this high ratio, both vendors and aggregators are able to earn profit and are continuing the business. It is recommended that coconut-based preparations ought to be mutually advanced by state industry office, state horticulture division and Coconut Improvement Board.

Introduction

The coconut crop provides abundant chances of income generation because of its multiple uses and feeding of its various goods. West Bengal is one of the major coconut-producing states of the country, where about 3 lakh hectares of land is under coconut cultivation with overall production of 427 million nuts. The state ranks 7th in coconut production in the country. However, the productivity of coconut in West Bengal (8379 nuts/ha) is on the lower side when compared with the highest productivity in the country (Lakshadweep: 19630 nuts/ha). In West Bengal, coconut forms an important constituent of food basket and meets the economic needs of people dependent on its business. Despite this importance, the coconut farmers are among the lower strata in the agricultural communities of the state. Besides the problem of low productivity and small farm size, coconut farmers face low and highly fluctuating prices due to their inability to have access to profitable markets for their produce. The low efficiency and manufacture of coconut in the state has been a stuff of concern for the state and central actions. Most of the producers of coconut of the West Bengal are consumed without undergoing much value addition. Unavailability of coconut-based industries is a clear testimony to this fact.

Seeing the poor status of coconut manufacture and coconut-increasing farmers, the Government of West Bengal has recognized a Coconut Development Board (CDB), which has been working on cumulative the area under coconut cultivation and refining the status of coconut-growing farmers. The CDB aims to promote coconut crop and develop its value-added products in the state. But, deficiency of any comprehensive study on coconut market chain has inhibited the CDB in making major involvements in the state. In order to have specific interventions for promotion of coconut crop in the state, the present study has undertaken an in-depth analysis of the coconut market chains in the state of West Bengal. Each investor in the chain has a relation to the next in order to form a feasible chain.

By understanding the complete production to consumption system of coconut, it is possible to determine how the marketing and value addition activities take place and who shares how much benefit from such activities.

It has been claimed that relating farmers to the markets through proficient value chains would lessen the use of mediators in the chain, and reinforce the value-adding actions by better tools and inputs, progressed infrastructure and processing and exports (Miller and

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Jones, 2010; Pabuayon et al., 2009). This procedure can increase the revenue of farmers and will provide inducement for enlightening their management practices to higher farm efficiency. The revenue of the farmers can be heightened by increasing production, value addition, and better marketing options. The marketing factors are marketable surplus, marketing channels, and numbers of players at each level, profit margin of respective players, and value addition by different channel players.

Literature review

The literatures reviewed include topics that are relevant to answer the research questions such as production area in West Bengal, legal requirement involve in export of fresh organic coconut from West Bengal to Malaysia including quality management of coconut, coconut seasonality. We review the paper such as "A study on Coconut cultivation based on size of land possessed by local farmers" by S.JacobPratabaraj and also "The import of fresh organic coconut from Nigeria to Germany" by OlabiranOlubunmiBashirata and found that there are many factors that depend on the coconut farming.

Seasonality of coconut

Coconuts have features of a particular trunked palm which can extent up to 50- 100 ft. in height. They are said to be largely crossed pollinated and produce fruits (nuts / seeds) which are ovoid in shape, up to 15" long and 12" wide. Coconuts are usually seed propagated. They are generally planted 25 ft apart in all directions and can be intercropped with staples like corn and even other tree crops. The maturity period is within 2 - 7 years and the first fruit appears one year after flowering. One tree can yield on average 70-150 coconuts per year. Palms stay productive for 50 - 100 years and yields are highest between 10- 20 years old. A full-sized coconut weighs about 1.44 kilograms (3.2 lb) (Bourke Et al, 2009).

Quality management of coconut

The information on quality management of coconut was exerted and adapted from Gesamtverband der Deutschen Versicherungswirtschaft, "Postharvest Handling Technical Bulletin" by Ministry of Fisheries, Crops and Livestock, New Guyana Marketing Corporation, National Agricultural Research Institute and "Product Specifications and Postharvest Handling for Fruits, Vegetables and Root Crops Exported from the Caribbean", by Dr. A. Medlicott.

Fresh coconut is expected to be brown, free from damage, cracking, and sunken eyes and attain the required size specifications. Losses in coconut are mainly as a result of cracking due to poor handling and inappropriate storage and transport condition. Spoilage can occur from softening and disease infection of the eyes. This can be avoided by careful grading, preventing damage to the eyes and maintaining the coconuts under suitable storage conditions.

Research problem/justification:

Since there is no existing supply chain for export of fresh organic coconut in West Bengal, but Malaysia buyer company is to identify potential stakeholders in West Bengal who would be interested in the supply of one container fresh organic coconut every month. To also assess how feasible this supply chain will be in terms of volume, quality and economic and also to determine the effect of various factors on the farmers during the cultivation of coconut.

Objective of research:

- To assess the economic feasibility of exporting one container of fresh organic coconut a month from West Bengal to Malaysia.
- Traditionally, economic theory mentions the following factors for comparative advantage for regions or countries hence in this empirical study following factors were studied: Land, Location, Natural resources (minerals, energy), Labour, and Local population size.

Research questions:

- 1) Are the factors other than tenure causing farmers not to invest in new technologies or practices, such as the unavailability of product markets or low returns to investment?

Sub questions:

- 1) What is the type of farming system used by coconut farmers? (Organic/conventional, mono-cropping/mixed cropping)
- 2) What is the quality management needed for import/export of fresh organic coconut? (Temperature, relative humidity, storage, post-harvest handling, shelf life)
- 3) How long (time) will it take to transport coconut from production area to the major port and on transit to Malaysia?

- 4) What are the costs such as transport and other logistics involved in supply of one container fresh organic coconut from production area to the port of destination?

Research Methodology

The study was conducted in seven coastal Villages and farmers of west Bengal (all the information is summarized in Table 1). These villages have a major area under coconut production in the state. The data were collected between July 2017 following one methods, namely, survey. For the survey, based on the study background, distinct questionnaires were considered for all the channel members, viz. farmers, sellers, aggregators, processing industries, and the customers. The questionnaires were pre-tested and modified based on the results of pre-testing. Questionnaire survey was mainly

accompanied to gather facts about production and marketing associated data from coconut farmers, dealers and processing industries. Basically Questionnaire depends on main research and sub research questions which was filled by farmers, commissioning agent etc.

In each district, 100 farmers were haphazardly selected with the volatile size of farmland under the farming of coconut. Scanty ex-ante information available about the population of vendors and aggregators did not allow drawing a random sample. Instead, in order to detect them for the purpose of attaining the facts, coconut farmers and native field officers of government sectors were asked to detect them. However, it was ensured that researcher cover minimum number of vendors that deal with approximately 80 per cent of marketed coconut of the district market.

Table No.1 Seven Coastal Village farmer's Details

Name of Respondent	Contact Details
MONINDRA KUMAR NATH	Narayanpur Village, Baduria (Taluk), North 24 Parganas (Dt.), West Bengal. Or C/o Society for Equitable Voluntary Action, 3C, Milan Apartments, 52/3, Vidyayatan Sarani, Calcutta – 700 035, West Bengal.
DR MRINAL MITRA	AA/18, Baguiati, Deshbandhu Nagar, Calcutta – 700 059, West Bengal.
TAGORE SOCIETY FOR RURAL DEVELOPMENT	4, Khudiram Bose Road, Calcutta – 700 006, West Bengal. Phone: 57574 Contact: Pannalal Dasgupta
PROF SAIJI MAKINO	No 11, Andrews Palli, Santiniketan – 731 235, West Bengal.
SWARAJ KUMAR BANERJEE	Makathbari Tea Estate, Kurseong PO, District Darjeeling – 734 203, West Bengal
ASIM ROY	PO & Vill. Khamarchandi, Haripae, Houghly, West Bengal. Ph.: 03212-242684

Table 2. Sample size under various categories of respondents

Category	Sample size (No.)
Farmers	100
Vendors	20

For survey, a total of 120 respondents were selected from the city of West Bengal. While sampling, it was taken care that it represented different categories of respondents on parameters like, occupation, age group, and income range. Table 2 represents the sample size of each category of respondents in selected districts of the state and for this convenience sampling has been used.

IMAGE 1: Vill. khamarchandi, haripae with Research Scholar and Farmers



Hypothesis

The following hypothesis have been formulated and tested.

a) Null Hypothesis (Ho): There is no relationship between demographic variables, technology, packing, logistics, coconut cultivation based on size of land possessed by local farmers and difficulties faced by the farmers on pricing of coconut (Demographic variables used: - Age, education, Family income, family size and residence (rural or urban)).

b) Alternate Hypothesis (H1): There is significant relationship between demographic variables, technology, packing, logistics, coconut cultivation based on size of land possessed by local farmers and difficulties faced by the farmers on pricing of coconut (Demographic variables used: - Age, education, Family income, family size and residence (rural or urban)).

Analytical tools used

Data analysis refers to investigating what has been collected in a survey and making judgement and inferences. Data was analysed qualitatively.

Qualitative data analysed open ended questions and summarized the views of the respondents on the effects of planning. SPSS software was used responses captured.

ANOVA is used to test the Ho and H1 hypothesis with the help of SPSS software. It include variable i.e.s dependent and independent variables. Refer to Table 3 we have shown the framework of dependent

and independent variables. This give the R square value that indicates the acceptance or rejection of defined Hypothesis. With the F test, the results will showed a significant value of 0.000 (<0.05) or (>0.05), at the 95% confidence level that proof hypothesis.

Factor analysis is uses to describe variability among observe, correlated variables in terms of potentially lower number of unobserved variables that represent factor. The factors that affect between demographic variables, coconut cultivation based on size of land possessed by local farmers. And difficulties faced by the farmers. (Demographic variables used: - Age, education, Family income, family size and residence (rural or urban)).

Limitation of study

- Only local farmers have been taken into consideration.
- The study area is confined only to local villages(data given in Table No.1) of West Bengal
- The sample size is restricted to 120 only.

Data Analysis

ANOVA RESULTS

[DataSet1]C:\Users\Nishu Gupta\Desktop\ Transport\ Untitled2.sav

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879 ^a	.772	.742	870.800

Source: SPSS SOFTWARE

Finding and Result

Model Summary table indicates that the value of R Square is equal to 0.772. It can be concluded that the ability of the independent variables to explain the

influence of factors such as Age, education, Family income, family size and residence, packing, logistics, shown in predictors on the dependent variable i.e. price of coconut that conclude the factors in deciding the price of coconut 77.2%.

Table 4. Anova Summary

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.924	2	3.962	16.788	.000 ^b
	Residual	30.444	129	.236		
	Total	38.367	131			

Source: SPSS SOFTWARE

Finding and Result

In above Table 3. ANOVA, simultaneous significance test (F test) observed that the results showed a significant value of 0.000 (<0.05), at the 95% confidence level. Thus it can be concluded that there is effect between demographic variables, packing, logistics, coconut cultivation based on size of land possessed by local farmers and difficulties faced by the farmers on pricing of coconut (Demographic variables used: - Age, education, Family income, family size and residence (rural or urban).

During the research it is found that there are factors other than tenure which makes the farmers not to invest in latest technologies or various other advance practices. The farmers are having a mind-set that they will not get the return on investments they made on technologies and other practices. The factor of low returns or unavailability of product markets is not pushing the farmers towards fast growth & development. Therefore it is necessary to make them aware of the fact that the technologies and advance practices in their farming will enhance their efficiency and productivity. This will lead to high returns and future profits. Average number of coconuts in 40 ft. container is 21,760. Volume of a 40 ft. container is 2,720 Cu. Ft. Average size of a coconut is 8" in diameter.

Transportation cost analysis

It takes approximately 10 days to ship from Haldia Port (Kolkata) to Port Kelang (Malaysia).

Other logistics and the costs that will also be involved in the fresh coconut supply chain are as follows:

- Procurement of coconut from farmers

- Packaging material
- Loading and off-loading costs

The following are the freight and paper constraints needed at the port and all involves cost:

- Port health certificate
- Security
- Scanning
- Customer inspection
- Union due
- Loading cost at sea port
- Ventilated container
- Insurance & Taxes

The cost estimate involved in the supply chain is analysed in the main section that follows below.

Production:

Since coconut is harvested 3 -4 times in a year and 25ha is needed per supply. Therefore, using 3 harvests in a year is for the calculation. $25\text{ha} \times \frac{12}{3} = 100\text{ha}$

100ha is needed to assure a monthly supply of 40ft for a year round.

Hence, a total of 52 farmers * 5ha = 260ha is available for the fresh coconut supply chain from Kolkata to Malaysia.

Cost estimates:

To make an estimate of the cost involved in

supply of one container coconut from production area to port of destination, the following costs are required:

FOB = Free On Board

Freight

CIF = Cost, Insurance & Freight

FOB = (Production cost + Profit + Expenses) + Transport to the Port of Origin Costs

CIF = FOB + Freight from port of Origin to the Port of Destiny + Insurance

Calculation for FOB

1 USD = Rs. 64 (As on 15.12.2017)

Production/Expenses/Profit	INR	INR (per monthly cost)
Farm gate price (38,615 nuts)	40/De Husked nuts	15,44,600
Inspection officer		25,000
Packaging/grading/labors		1,70,000
Loading (5trucks)		13,000
Transport to seaport	58000/truck	2,90,000
TOTAL		20,42,600

FOB (1 Container) = Rs. 20, 42,600

Landed cost/coconut at the port of origin=Rs. 20, 42,600/38,615nuts

= Rs. 52.896/nut approx

Calculation for freight from port of origin to destination port (+ insurance)

1USD = Rs. 64

Freight cost	Cost of 40ft container for coconut (INR)
Port health certificate	720
Security	1,000
Scanning	500
Customer inspection	120
Union due	120
Loading cost at sea port	18,000
Reefer	?
Ventilated container	48,000
Insurance & Taxes	8,000
TOTAL	76,460

CIF = FOB + Freight from port of Origin to the Port of Destination + Insurance

CIF = Rs. 20, 42,600 + Rs. 76,460 = Rs. 21, 19,060

Landing cost of one 40ft container of coconut at port of destination=Rs. 21, 19,060

Landing cost per fresh organic coconut at port of destination

=Rs. 21, 19,060/ 38,615nuts

= Rs. 54.87 approximately

Rs.55 = \$55/64 = \$ 0.85/nut

The land cost of each coconut at port of destination using a ventilated container = \$ 0.85/nut and the retail price for fresh organic coconut in Malaysia is 5.25 Malaysian Ringgit per nut.



Packaging Size: 25 nuts per bag
Shelf Life: 50 days from the date of packing
Weight : 500 gm to 650 gm
Nut Size : 12 to 14 inches
The Semi Husked Coconut is supremely utilized to add distinct fragrance [more..](#)

Findings

Image 2: DeHusked Coconut

1. The estimate for a reefer transport is not known. The choice of cargo to be used for the shipment is determined by the export company after knowing the landing cost per coconut at destination port if a reefer is used. This price is compared with the retail price of coconut in Malaysia and that of landing cost per coconut for ventilated container. Shelf life is put into consideration.
2. Grading and packaging: The fruit should be uniform in shape and free of noticeable blemishes or skin damage from insects, diseases, or physical injury. De-husked coconuts should also be free of stress cracks and not have deeply sunken eyes. The fruit should not have any distended germination tubes, outflow of water around the eyes, or outward mould. When shaken, the fruit should have a sloshing sound, indicating the presence of water in the coconut. Any fruit that does not have a splattering sound when shaken should not be packed for market.
3. Fruit cracking: De-husked coconuts are susceptible to stress cracking in which transverse fissures develop, mostly on the bottom half of the nut. Cracks may vary in width from a fine fracture up to 0.4 Inch which also splits the inner shell and results in leakage of the internal water. Stress cracks provide entry for fungi and bacteria which cause the water to turn sour and the meat to rot, rendering the fruit worthless. Rough handling may also cause cracking of shells. Coconuts must be handled with care. De-husked coconuts are also susceptible to cracking if they are exposed to more than an 8°C (46°F) temperature change within a few minutes or to extreme heat or cold. To prevent cracking, coconuts should not be stored below 30°C. Coconut can be stored at temperature between 5-25°C. Recommended temperature for coconut is 12°C.
4. Profit Margin: If compare to other Gulf and African countries, the Transportation cost is less in India but on the other hand it also leads to less profit margin for farmers.

Conclusion

- Farmers are required to be Global GAP certified and practice organic farming system. None of the group of farmers has Global GAP certificate as individual or group because they have never been involved in any international supply chain.
- Larger percentage of these farmers in Narayanpur Village is into organic production. Only about 5% of them are into conventional production. The total production area of coconut plantation available for supply is 260ha whilst only 100ha is needed to ensure a monthly supply of one container fresh organic coconut all year round. This shows the possibility for expansion in export volumes.
- The freshness and the weight of the coconut needed to be maintained through proper grading, handling, transportation and storage. Coconuts should be brown, free from damage, cracking, and sunken eyes and attain the required weight of 0.65kg.
- For ideal transport conditions, coconuts should be treated as refrigerated cargo. If appropriately equipped means of transport are available, they may also be transported conventionally, provided that a cool 5 - 25°C (the recommended temperature for coconut is 12°C) and well ventilated hold is used. Coconuts should not be exposed to direct solar radiation, as they would otherwise burst, leak and consequently arrive at the port of destination without coconut water. High relative humidity of 80 - 90% is required to counteract evaporation of the intrinsic moisture content.

Recommendation:

- For all transaction and activities that will be involved in the supply chain, it is recommended that BioTropic makes contract with the exporter and farmers. The contract should include the mode of payment, price per coconut, standards as well as term and condition that guarantee a sustainable supply chain.
- It is recommended that the first grading should be done on farm by the committee members responsible for harvesting. The grading should look at the weight, physical injury and other criteria that they are trained for.

- it is recommended that the grading and packaging is done at the central collection centre to ensure an organized supply chain. Also to save time and reduce the number of labours involved for exporter.
- To reduce economic loss for Bio Tropic, it is recommended that Bio Tropic pays a premium price to both exporter and farmers that meet the requirement of the company this will encourage them to always meet the requirement of Bio Tropic. Also since damaged coconuts cannot be replaced after packing, it is recommended that Bio Tropic organize training for labourers that will be loading and off-loading the packed coconuts. The train will focus on handling of coconut with care and arrangement in storage.
- As growth is tremendous in this sector, therefore government should take more initiatives to provide training and education to the farmers.
- Infrastructure is also an area to be focused.
- Government should provide subsidies on the trade of organic coconuts as the farmers are not getting appropriate amount of profit margin. Also, there should be a Global Certification program for farmers in less price.

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Outlook of Asian Indians Towards Entertainment in USA

Shilpa Abani¹ and Darshana R. Dave²

Abstract

This paper aims to bring the awareness about a particular segment of society in a particular geographical location on the world map - "Asian Indians residing in USA (US)" and their preferences for entertainment - Indian and Non-Indian; reason for shifting the preferences and their primary choices towards entertainment. The authors have tried to study the perception and choices of Asian Indians, as there is not much research data available towards the study phenomenon. The intent is to offer a theory that will be applicable to associate the entertainment industry market place in USA and the Indian Diaspora.

An exploratory research has been undertaken to gain insight into the preference and perception of Asian Indians towards entertainment in USA for which in- depth interview technique has been used to identify variables for further research on the given topic.

Primarily it is found that the Asian Indians residing in US do engage themselves into entertainment activities which are both Non-Indian forms of entertainment and Indian forms of entertainment, such as Films, Television, Live Events, Music, Dance, Gaming etc. Majority Asian Indians have shifted towards non-Indian entertainment activities primarily for adapting to lifestyle of USA and for self-interest.

There is tremendous scope which opens up with this study, to understand and tap the opportunities that exist for the Indian Diaspora in US. Detailed researches on each sub-segments of entertainment activities with various geography specific and demography specific attributes can be conducted in future, which can assist each aspect of entertainment industry to provide offerings to Asian Indian consumers in a better way.

To the authors' knowledge, this is a unique research to assess the Asian Indian consumer residing in US for their preferences towards entertainment activities.

Keywords : Marketing, Consumer Behaviour, Asian Indian, Entertainment, Indian Diaspora

Introduction

This paper aims to bring the research awareness about a particular segment of society in a particular geographical location on the world map - "Asian Indians residing in USA" and their preferences for entertainment activities. Authors have used Asian Indians and/or Indian Diaspora interchangeably.

Culture of the United States

The United States of America (also referred as USA / US / United States) is an ethnically and racially diverse country due to large-scale of immigrant population from many different countries. Culture of the US is western, but also influenced by Native American, African, Asian, Polynesian and Latin American cultures.

Asians in the U.S.

According to the US Census 2010, an Asian is defined as "a person having origins in any of the original people of the Far East, South-East Asia, or the Indian

subcontinent including, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam". It includes people who indicate their race as "Chinese", "Filipino", "Asian Indian", "Korean", "Japanese", "Vietnamese" and "Other Asian" or provide other detailed Asian responses.²

Asian Indians in the U.S.

The U.S. Census Bureau uses the term "Asian Indian" to avoid any confusion with the original people of the Americas, generally referred to as Native Americans or American Indians. "Indians" have historically in US been referred for the indigenous people of the continents, after the colonization in the 15th century by the Europeans. The Indian Diaspora, referred as "Asian Indians", is a minority segment in the US.³

Entertainment

Entertainment can be put as an activity, idea or a task which helps a consumer with an interest area or

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gives pleasure and happiness, fun, laughter, amusement. People have different preferences towards their entertainment. Different types of entertainment have existed since decades and in different era's & cultures, from royal courts to normal person's abode. These entertainment activities with products & services, process, technology and marketing management clubbed together have become an industry of its own called as Entertainment Industry. There are many familiar forms of entertainment, but not-limited to, like Music, Theatre, Dance, Films, Television, Outdoor activities, Live Events, Gaming etc.

Consumer Behavior

Consumer's behaviour gives the perception and choices of the target audiences with their variable attributes. It is a premise through which an individual or a group or an organization can thrive on their profiles, products and services and grow successfully.

Literature Review

Literature review has been carried out with a purpose to get insights into entertainment industry in US and behaviour of Asian Indians towards entertainment in US. It details the findings of the available research of Asian Indians, entertainment in The United States of America and consumer behaviour.

Immigrants in US & Entertainment

The **entertainment sector**, which has been growing rapidly as a major player in the services industry, has **received very little research attention**. Given its increasing importance in creating wealth and its central role in our lives, the entertainment sector needs to be studied properly so that the interplay of economic forces in this area can be understood and managed better (**Paul Sergius Koku, 1995**).

Some ethnic media focus on the country of origin, which allows immigrants to connect to the news and events of their home country (**Matsaganis, Katz, & Ball-Rokeach, 2011**).

Ethnic-based transnational audiences have become a lucrative niche market and the prime target of transnational media corporations (**Gillespie, 2000**).

The US's entertainment media market, which includes TV and gaming industries as well as film, remains the largest in the world (**The Guardian**).

The difference that television makes - It appears that satellite television is one of the latest technologies that is keeping ethnic groups in the U.S. connected to their homeland (**Aksoy, A., & Robins, K. (2003), In K.H. Karim (Ed.)**).

Asian Indians & Entertainment in US

One particular market place, the Asian-Indian American marketplace, is quite guaranteeing. Several forecasters believe latest immigration laws and regulations continues allowing Asian-American figures to improve through bulk effectively into this century. These types of population predictions make this market an extremely workable target that can end up being very lucrative for many years. As a result, National internet marketers need to know more about as well as examine Asian-Indian in United States' social ideals, to be able to far better deal with the particular interpersonal mores in the Asian-Indian National marketplace (**Dr. Hialy Smith, Oxford University, 2012**).

As the U.S. becomes more ethnically diverse, media companies look for ways to sustain programming that caters to everyone. Studied how one group of immigrants use Indian television and its programming to stay connected to their homeland; thus they also stay in touch with their culture. One of the most popular forms of ethnic media for immigrants to stay connected to their homeland is satellite television with programming imported from India via the satellite dish to the US. This programming has become attractive to Asian Indians in the US (**Indira S. Somani, 2011**).

Most U.S. marketers are ignorant about most foreign cultures and do not understand that to be successful, it is important to build a positive relationship with ethnic niche markets. One minority niche that exists within the American marketplace is the Asian-American market that includes the following six sub-groups: Asian-Indian Americans, Chinese-Americans, Filipino-Americans, Japanese-Americans, Korean-Americans, and Vietnamese-Americans. An advertiser may want to

² Koshy, Susan. "Category Crisis: South Asian Americans and Questions of Race and Ethnicity". *Diaspora: A Journal of Transnational Studies*. 7 (3): 285-320. doi:10.1353/dsp.1998.0013. ISSN 1911-1568.

² https://en.wikipedia.org/wiki/Indian_Americans

³ <https://factfinder.census.gov>

make the most of the need Asian-Indian Americans have to preserve their respective cultures when recognition of that need may help to sell a particular product or service. Marketers who get involved in Asian-Indian American community groups, civic and trade associations through sponsorships can build relationship, gain trust and loyalty of this group. These types of involvements generate word-of-mouth referrals that is extremely effective due to the group's commitment to family and culture. Language and media are important considerations when planning an advertising campaign for any minority. Since Asian-Indian Americans speak English more regularly than they do any of the Indian languages, marketers should use English-language ads with Indian cultural cues woven in seamlessly. **(Jacob M. Chacko, 2009).**

The Asian American consumer group is thought to be the fastest growing market in the USA. Asian Americans are thought to be well-educated, generally affluent, and geographically concentrated. However, significant cultural and language differences among Asian subgroups are often overlooked. These include patterns of information gathering, use of promotional media, and methods of household decision making. This article presents a comparative marketing examination of the similarities and differences among five of the largest Asian-American groups and develops implications for marketing strategies **(Carol Kaufman-Scarborough, 2000).**

The well-being of the family is very important to Asian-Indian Americans. In addition, like most other Asian Americans, the family unit is considered to be more important than the individual. Asian-Indian Americans have large families and many extended families either live together or live within the same vicinity. Age is highly valued within the Asian-Indian American culture, elders are respected and revered. The younger members of the family usually care for the elders within the family unit **(Rossman 1994).**

Bollywood in US

Provided a comparison for Bollywood in Indian and American Perceptions. Overall, the authors found that both Indian and US perceptions of Bollywood are positive and negative. On some dimensions, Indian and US perceptions differ sharply from each other; on other dimensions, a few similarities become apparent. The analysis corroborates the fact that Bollywood embodies an emerging socio-economic current of globalization. It

is one of the largest movie industries in the world, producing about 1,000 movies a year, and it has heavily influenced Hollywood and other Western movie markets **(Jonathan Matusitz & Pam Payano , 2011).**

According to Business Week , the Indian action sequel Dhoom 3 set a new North American box office record for a Bollywood film, taking in \$3.3 million from 236 theaters. The previous record, by Chennai Express, with \$2.2 million, was expected to fall. Dhoom 3 opened in more U.S. theaters than any prior Bollywood film and also benefited from an IMAX surcharge. (It's the first Indian film shot in the large-screen format.) The movie's success speaks to the remarkable rise of Bollywood films in the U.S. in recent years, and it offers some hints for their future here **(Business Week, Dec 2013).**

Mahajan choreographed Nina Davuluri for the talent competition round at the Miss America Pageant. Nina Davuluri won the crown (2013). Mahajan appeared alongside First Lady Michelle Obama and students to teach Indian dance moves at the White House Diwali celebrations. Mahajan watched old Bollywood blockbusters and mimicked the movements he saw on screen behind the closed doors of his room. This was a part of his upbringing, as was Bhangra, his parents being Punjabi immigrants whose culture was reflected in their home through film and music. "I think Bollywood has become gigantic," Mahajan says. "America has really embraced Bollywood culture". He adds that he's happy that Bollywood has become a big phenomenon in America now. "It's shocking, but a lot of non-South Asians who couldn't even find India on the map are all of a sudden trying to learn more about the place. **(Nakul Dev Mahajan, 2013).**

"Indian cinema needs to speak a universal language and change the world's perception about Bollywood being an "item number". "We have to connect with a universal audience in a way that they think that there is some interesting kind of cinema coming out of India," Irrfan told IANS **(Irrfan Khan, 2013).**

India has long had one of the world's most prolific film industries-producing roughly twice as many films as American studios for decades. Bollywood's revenue increasingly come from abroad-as much as 60 percent to 65 percent. "Indians and South Asians are among the most movie-obsessed groups in the U.S.," says Pandya, "Going out to the movies, especially as a family, is part of the culture. A decade or so ago, this

community activity was served by small theaters owned by Indian entrepreneurs scattered across the country. "Today, some of the highest grossing theaters for Bollywood are mainstream U.S. exhibitor chains," says Pandya, pointing to multiplexes like the Regal or the AMC" (Gitesh Pandya, 2013)

The literature review suggests that there is potential for research in entertainment and media industry for the Asian Indian community in US.

Research Gap

Entertainment industry plays an important role in day to day aspects of everyone's lives, as well as for generating wealth. Literature review lead to researches done for entertainment industry, but very less in co-relation to the population segment of Asian Indians residing in US. Since the Asian Indians population is constantly on rise in US, it's important that studies are conducted to understand the segment better. Thereby, authors have undertaken the task of studying the behaviour of Asian Indians in US towards their entertainment. It will give marketers inputs to grow their businesses by targeting, advertising, promoting their direct and indirectly related business, services, products, events etc. with more relevance.

Research Objectives & Methodology

Objective of The Study :

To get the insights into the perception & preferences of Asian Indians residing in the US, towards their entertainment. Exploratory nature of the study helps in investigating little-understood phenomena and thereby helps identify important constructs for further descriptive research.

Research Design

The design of the research is qualitative. Qualitative research is conducted with in-depth interviews to determine the important variables for the design of the questionnaire for further doctoral research work. In addition to this, observational method was also used for collecting qualitative information.

The geographical location for the primary data collection is the US. The sample size is of 16 Males and 14 Females, a total of 30 Asian Indians. The sampling procedure was convenience sampling combined with judgmental sampling. In-depth interviews were conducted

with the Asian Indians residing in USA. Authors discussed the raw data collected through the in-depth interviews and the detailed list of exploratory findings were jotted down to design the questionnaire for further study.

Major Findings

The one to one discussion with respondents brought out some interesting behavioural pattern of Asian Indians residing in US. The researcher had tried spending sufficient time with each respondent and probe into their consumption pattern in terms of entertainment activities in US. Though a small sample the findings are not conclusive in nature but it has definitely brought out some behavioural aspects of respondents across different gender, age groups and, number of years spent in US by the respondent. Primarily it has been observed that the study has brought out the following findings:

- Asian Indians are involved into various types of entertainment activities in USA including non-Indian forms of entertainment and Indian forms of entertainment.
- There are many forms of entertainment that have emerged and we could devise categorization for them, like Film, TV, Live Events (Stage showz, Firworks, Potluck, Parades, Halowen etc.), Music (Singing, Opera, Karoake etc.) and Dance.
- Majority of the Asian Indians watches both American TV channels and shows, Indian TV channels and Indian TV shows. The housewives or women who watch indian showz are more inclined towards indian daily sops and reality showz. Families with kids watch kids programs. Men like to keep updated with online tv channel of indian news & watch indian comedy showz, indian films.
- Asian Indians watches films , irrespective of Hollywood or Bollywood or Indian regional.
- Non-Indian Live events forms of entertainment which Asian Indians prefer to do or would like to do are Singers/Bands live shows, Amusement parks, Adventure Recreational activities like Ski, Snorkeling, Jet Ski, River rafting, Camping, Parades, Fireworks, Watching Sports entertainment, Potluck, Non-Indian festivals like Halloween.
- Indian Live events forms of entertainment which Asian Indians prefer to do or would like to do are

attending Bollywood events, Religious Festivals, Potlucks, Just get together with friends.

- Amongst dance category, the Indian forms which are preferred are Dandiya & Bhangra. They also go to clubs.
- Asian Indians do sing or /and attend karaoke gatherings / events. They consider it as not only socializing but also fulfilling their hobbies.
- Some Asian Indians also are involved into yoga, meditation, religious chanting events. It is older age group which is more inclined towards these activities as compared to the younger generation.
- Asian Indians are active on social media mainly with Face book and Whatsapp.
- Majority Asian Indians have shifted towards non-Indian entertainment activities primarily for adapting to lifestyle of USA and for self-interest.
- Overall Indian entertainment is socially connecting and motivating for the Asian Indian segment in US.

Conclusion

The authors have brought about in this article the different modes of entertainment for the Asian Indians in US. This research is unique. There is no historical compilation of so many different kinds of entertainment forms, that have been catered to the cohort of Asian Indians in the U.S. Earlier researches have targeted very few entertainment activities like Bollywood. This research helps to understand the entertainment choices and discovers the gaps in the industry sector and Indian diaspora.

There are many forms of entertainment in today's 21st century as current. Few from past are still in much popular like Motion Pictures/ Films, Television, Music, Dance, Live Events. Technological advancement has given birth to additional forms like AR/VR/Gaming etc with the usage of electronic media, which are still in nascent stages.

With diversity increasing in US, in the days to come, entertainment industry & marketers will have to resort to many such insights given by researchers, psychologists, academicians, technologists to devise targeting strategies. There is tremendous scope which opens up with this study, to assist the Entertainment Industry and other stakeholders to understand and tap

the opportunities that exist for the third largest ethnically diverse immigrant population in US. Detailed researches on each sub-segments of entertainment activities with various geographical specific and demographics specific attributes can be conducted in detail by future researchers, based on these findings.

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A Study on Attitude Towards Entrepreneurship of Selected Undergraduate Students of Gujarat

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Abstract

Entrepreneurship has played an important role in economic prosperity and social stability in many developed countries. Today India as developing country is faced with massive challenges of high levels of unemployment among the youth, especially university undergraduates, due to lack of work experience, low skills base and education. Entrepreneurship, as one of the subject, is being taught to undergraduate students to motivate them to become entrepreneurs. In this study, an attempt has been made to measure attitude of selected undergraduate students towards entrepreneurship. The study reveals that attitude towards entrepreneurship is very positive and teachers are key influencer for inculcating virtues of entrepreneurship among students.

Key Words: Entrepreneur, Entrepreneurship, Under Graduate Students

Introduction

Entrepreneurs are innovators, willing to take risks and generate new ideas to create unique and potentially profitable solutions to modern-day problems. This innovation may result in new organizations or revitalize mature organizations in response to a perceived opportunity. The most obvious form of entrepreneurship is starting a new business (referred as a start-up company). In recent years, the term has been extended to include social and political forms of entrepreneurial activity, which are often referred to as social entrepreneurship. Entrepreneurial activities differ substantially depending on the type of organization and creativity involved. Entrepreneurship ranges in scale from solo projects (that can even involve the entrepreneur working only part-time) to major undertakings that create many job opportunities. Many high-value, risky and innovative entrepreneurial ventures seek venture capital or angel funding (seed money) to raise capital for building the business.

Conceptual Framework:

Someone who exercises initiative by organizing a venture to take benefit of an opportunity and, as the decision maker, decides what, how and how much of a goods or services will be produced. An entrepreneur supplies risk capital as a risk taker and monitors and controls the business activities. The entrepreneur is usually a sole proprietor, a partner or the one who owns the

majority of shares in an incorporated venture. The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. In economics, entrepreneurship combined with land, labor, natural resources and capital can produce profit.

Literature Review:

Lawan Umar Muhammad(2015) et al. had undertaken a study to determine the perceptions and attitude of graduating students towards entrepreneurship education and how these affect their employment ambitions. Using a descriptive cross sectional design, a random sample of 340 final year undergraduates from Bayero University was studied. Majority (85.0%) had good perception about entrepreneurship. However, Entrepreneurship Education for Nigerian Universities should be repackaged based on specific entrepreneurial areas and with built-in logistic support.

Rudhumbu Dr. Norman et.al examined the attitudes of undergraduate fourth year students towards entrepreneurship education. Studies show that entrepreneurship has become a critical area of discussions the world over due its perceived role in mitigating the twin challenges of shrinking economies and unemployment. A sample of 250 students from a population of 462 students was used in the study. A structured questionnaire that employed a 5-point Likert scale was used for data collection. Results of the study

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showed that most students have a positive attitude towards entrepreneurship education and would prefer to be entrepreneurs at the end of their studies. Results of the study further showed that challenges that may affect students' interest in entrepreneurship education and entrepreneurship as a career include difficulty in accessing funding, lack of technical support at start-up, and inadequate business opportunities in Botswana.

Bernard Diwa Otu et al investigated the attitude of students towards entrepreneurial studies in the University of Calabar, Cross River State, Nigeria. The result of the analysis revealed that students' attitude towards entrepreneurial studies is significantly positive. Based on the findings of the study, it was concluded that undergraduates in Universities in Nigeria are favourably disposed to entrepreneurial studies. It is recommended among others that entrepreneurship development in Nigerian tertiary institutions should adopt entrepreneurial learning as entrepreneurship development method. Also, students should be mixed during entrepreneurship programmes with recourse to their level of creativity.

Goel Abhishek et al studied attitudes of the youth towards entrepreneurs and entrepreneurship: a cross-cultural comparison of India and China. This study argues that social support is an important enabler in entrepreneurial activity in a country or a region. One untested assumption in policy making has been that all regions are equally desirous of entrepreneurial activity and one policy could address issues in all regions. It was argued that attitudes towards entrepreneurs and entrepreneurship are important determinants for future entrepreneurial activity. These attitudes would be impacted by the familial occupational background of an individual and entrepreneurial development of the region which he/she comes from. The results for familial occupational background's influence on attitudes found strong support in both India and China. Regional development showed stronger influence on attitude in India than in China.

Sukhjeet Matharu, Bharti Motwani, Sharda Haryani studied Perception of B-school Students towards entrepreneurial intentions was studied. The results of this study showed that there is no significant difference in the perception of students on the basis of gender towards entrepreneurship. There is a significant scope for promoting entrepreneurship in the cities of central India. The respondents showed a high inclination to become entrepreneurs.

Significance of the Study:

This study will help in identifying whether different subjects of entrepreneurship taught and activities like Business Bazigar, Best Business Idea or Business Plan Preparation competition, seminars and workshops etc. helps in developing an entrepreneurship aptitude and also an enterprise behavior among youth or not. No such studies have been done so far for students of this area. Researchers have made an attempt to examine the attitude of undergraduate students of Anand and Vallabh Vidyanagar towards entrepreneurship.

Identification of Problem:

The high level of unemployment among college graduates is a major concern of government and society as a whole. One of the answers to this problem is encouraging students to become job creator rather than job seekers. Entrepreneurship education and various schemes of Start up India are an attempt in this direction. Prime Minister Narendra Modi had introduced the Start-up India, Stand Up India initiative on the Independence Day. Looking to the current economic scenario, our study aims to study entrepreneurial attitude and key influencers among undergraduate students for taking it as a career choice.

Objectives of The Study

The primary objective of this study is;

- 1) To examine the attitude of under graduate students towards entrepreneurship.
- 2) To know the key influencers in becoming entrepreneur.

Research Methodology

This study is based on primary data, collected through structured questionnaire from under graduate students of different colleges of B.COM, BBA and B.VOC. studies. Total 100 students having inclination towards entrepreneurship have been approached, on the basis of convenience sampling method. We have used standard scale to measure the attitude of under graduate students towards entrepreneurship. After collecting the data from 100 respondents for data analysis, we have used SPSS 20 (Demo version). To test the hypothesis, we have used t- test and ANOVA using SPSS.

Table 1 : Demographic Information of Respondents

Demographic Information	Variable	Frequency	Percentage
Gender	Male	42	42.0
	Female	58	58.0
Area	Urban	57	57.0
	Rural	43	43.0
Age	Below 20	75	75.0
	21-25	22	22.0
	26-30	3	3.0
Class of Studies	BCOM	43	43.0
	BBA	31	31.0
	BVOC	26	26.0
Father's Occupation	Agriculture	30	30.0
	Service	33	33.0
	Business	29	29.0
	Professional	8	8.0
Father's Education	Up to 12	51	51.0
	Graduation	23	23.0
	Post-graduation	20	20.0
	Above Post-graduation	6	6.0
Parent's Monthly Income	Below Rs.10,000	35	35.0
	Rs.11,000- Rs.30,000	31	31.0
	Rs.31,000- Rs.50,000	23	23.0
	Above Rs.50,000	11	11.0

The above Table-1 depicts the demographic information of respondents. The gender distribution of the respondents is 42% of them are male and the rest are female. This reveals that the study is more or less fairly distributed among both the genders. 57% of the respondents are from urban areas and 43% are from rural areas. It shows that respondents from urban area are more as compared to rural area. The biggest categories in this study were represented by the age group below 20 years and the 21-25 years and 26-30 years age group where 22% and 3% are recorded respectively. We can say that age of respondents below 20 years is more as compared to others. We can even observe that the majority of the respondents 43% were studying in

B.COM followed by 31% in BBA and remaining are from B. VOC. The parents of maximum respondents' are in service (33%) while 30 (30%) parents are engaged in agriculture, 29 (29%) are in business and only 8 (8%) are professionals. The highest number of respondents' parents 51% has an education up to 12 Standard, 23 (23%) of the respondents' parents has completed graduation, 20 (20%) post-graduation and only 6 (6.0%) have above post-graduation education. 35 (35%) of the respondents' parents' monthly income was below Rs 10,000 followed by 31 (31%) have a family income between Rs 11,000 to Rs 30,000, 23 (23%) have family income between Rs 31000 to Rs 50000, only 11 (11%) indicated that their family income was above Rs 50,000 monthly.

Table 2: Reasons or Motivations for Starting a Business

Reason for starting a business	N	Mean
To gain recognition from the society	100	4.81
To do what I really want to do	100	3.83
To change and improve the society	100	3.75
To help in creating employment	100	3.59
For financial freedom	100	3.40
To be independent	100	3.36
To continue with family tradition	100	3.1
Starting a business is the only chance to earn money for me	100	2.81
Valid N (list wise)	100	

The researchers wanted to understand why students will become entrepreneurs and what motivate them to become entrepreneur? The above Table 2 displays the reasons or motivation behind starting the business. They were asked to rank eight statements which motivate them to become entrepreneur. Here we can say that the maximum students are starting a business for gaining recognition from the society, for following their passion and bringing change and improvement in the society, some respondents are of the opinion that they want to start business for financial freedom and continue family tradition of business and only few are starting their business with the objective of earning money. So, we can infer that young students first think about the society and then after about earning money.

Table 3 identifies who can influence students the most for their opinions/attitudes about business. Here, we can say that teachers or instructors, parents, entrepreneurs and government have a major influence on respondents for starting a business. Media, friends and politicians have a lesser influence and religious leaders have little influence for starting a business. Hence, we can conclude that the teachers or the instructors play a vital role in colleges for undergraduate students for becoming good entrepreneurs.

Table: 3 Key Influencers to Go into Business

Key Influencers	N	Mean
Teachers/Instructors	100	3.86
Parents	100	3.61
Entrepreneurs	100	3.54
Government	100	3.36
Media	100	3.19
Friends	100	2.98
Politicians	100	2.82
Religious Leaders	100	2.70
Valid N (list wise)	100	

Table 4: Measuring Attitude Towards Entrepreneurship of Under Graduate Students

	Strongl Agree	Agree	Neutral	Disagree	Strongly Disagree
Business people are seen as honest in my community	36	48	14	1	1
Most business people conduct business in a socially acceptable manner	27	39	13	15	6
Malpractices are prevalent among business people	19	30	14	20	17
Business people in my community are only for profit	8	34	18	23	17

The table 4 above shows the respondents attitude towards business people and their businesses in the community. This may indirectly help to understand their attitude towards business. Here we can say that 84% believe that businessman in their community are conducting businesses honestly. Out of the total 14% are neutral 2% disagree that business people in their community are not conducting businesses honestly. This clearly shows that most of the young people have a positive attitude towards business people. That means students are not suspicious about the integrity of business people.

27% and 39% of the respondents are strongly agree and agree respectively that most business people conduct business in a socially responsible manner. This clearly conveys that the most of the young people have a positive approach about social responsibility of business while only 37% respondents disagree with the prevalence of malpractices among business people. These shows that a good number of students believe that there is a number of wrong doers among business people. 42% respondents are of the opinion that business people are doing business only for profit and 40% disagree with this statement. Thus

it seems that there is a mixed opinion about business owners' interests in profit among students.

Hypothesis Testing

H_{01} : Attitude towards entrepreneurship does not vary across genders.

To test above mentioned hypothesis, we have applied t test. Following are the results of t test.

Table 5: Group Statistics of Gender wise Attitude towards Business

Gender	N	Mean	Std. Deviation
Male	42	3.7143	.64291
Female	58	3.3017	.72056

Table 6: Independent samples test

Levene's Test for Equality of Variances			t-test for Equality of Means						
F		Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	1.81	0.18	2.95	98	0.004	0.41	0.13	0.13	0.68
Equal variances not assumed			3.00	93.73	0.003	0.41	0.13	0.14	0.68

The above mentioned table shows gender wise attitude of people towards entrepreneurship. As per the above table we can observe that t- value is 2.95 and P value is 0.004. As P value is less than 0.05, we cannot accept the null hypothesis. It means there is a significant difference in attitude towards entrepreneurship of respondents as per gender.

Area Wise Attitude towards Business

H_{02} : Attitude towards entrepreneurship does not vary across Area

To test above mentioned hypothesis, we have applied t test. Following are the results of t test.

Table 7: Group Statistics of Area Wise Attitude towards Business

Area	N	Mean	Std. Deviation	Std. Error Mean
Urban	57	3.4386	.68511	.09075
Rural	43	3.5233	.75949	.11582

Table 8: Independent samples test

Levene's Test for Equality of Variances			t-test for Equality of Means						
F		Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	0.21	0.64	-.58	98	0.561	-.084	0.14	-.37	0.20
Equal variances not assumed			-.57	85.28	0.567	-.084	0.14	-.37	0.20

The above mentioned table shows area wise attitude of people towards entrepreneurship. As per the above table we can observe that t-value is -.58 and P value is 0.561. As P value is more than 0.05, we can accept the null hypothesis. It means there is no significant difference in attitude towards entrepreneurship of respondents as per area.

Age Wise Attitude towards Business

H_{03} : Attitude towards entrepreneurship does not vary across Age category of respondents.

To test above mentioned hypothesis, we have applied ANOVA test. Following are the results of ANOVA test.

Table 9: Descriptive Statistics of Age Wise Attitude towards Business

Age	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Below 20	75	3.5033	.68588	.07920	3.3455	3.6611	1.75	4.75
21-25	22	3.3636	.82997	.17695	2.9956	3.7316	2.00	5.00
25-30	3	3.5833	.72169	.41667	1.7906	5.3761	2.75	4.00
Total	100	3.4750	.71554	.07155	3.3330	3.6170	1.75	5.00

Table 10: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.368	2	.184	.355	.702
Within Groups	50.319	97	.519		
Total	50.687	99			

The above mentioned Table 10 shows age wise attitude of people towards entrepreneurship. As per the above table, we can observe that f- value is .355 and P value is 0.702. As P value is more than 0.05, we can accept the null hypothesis. It means there is no significant difference in attitude towards entrepreneurship of respondents as per age.

Class wise Attitude towards Business

H_{04} : Attitude towards entrepreneurship does not vary as per class of studies.

To test above mentioned hypothesis, we have applied ANOVA test. Following are the results of ANOVA test.

Table 11: Descriptive Statistics of Class of studies wise Attitude towards Business

Class of Studies	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
BBA	31	3.9758	.53757	.09655	3.7786	4.1730	2.50	5.00
B.COM	43	3.2384	.66582	.10154	3.0335	3.4433	1.75	4.50
B.VOC	26	3.2692	.69614	.13652	2.9881	3.5504	2.00	4.25
Total	100	3.4750	.71554	.07155	3.3330	3.6170	1.75	5.00

Table 12: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.284	2	5.642	13.888	.000
Within Groups	39.404	97	.406		
Total	50.688	99			

The above mentioned Table 12 shows class of studies wise attitude of people towards entrepreneurship. As per the above table, we can understand that f- value is 13.888 and P value is 0.000. As P value is more than 0.05, we cannot accept the null hypothesis. It means there is a significant difference in attitude towards entrepreneurship of respondents as per class of studies.

Parent's Occupation Wise Attitude towards Business

H_{05} : Attitude towards entrepreneurship does not vary as per occupation of respondents' parents.

To test above mentioned hypothesis, we have applied ANOVA test. Following are the results of ANOVA test.

Table 13: Descriptive of Father's occupation Wise Attitude towards Business

Father's Occupation	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Lower Bound		
Agriculture	30	3.5583	.64555	.11786	3.3173	3.7994	2.50	4.75
Service	33	3.4773	.63849	.11115	3.2509	3.7037	2.25	4.50
Business	29	3.2672	.82357	.15293	2.9540	3.5805	1.75	5.00
Professional	8	3.9063	.71885	.25415	3.3053	4.5072	2.25	4.75
Total	100	3.4750	.71554	.07155	3.3330	3.6170	1.75	5.00

Table 14: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.948	3	.983	1.976	.123
Within Groups	47.739	96	.497		
Total	50.688	99			

Table 14 shows parents' occupation wise attitude of people towards entrepreneurship. We can observe that f- value is 1.976 and P value is 0.123. As P value is more than 0.05, we can accept the null hypothesis. It means there is no significant difference in attitude towards entrepreneurship of respondents as per parents' occupation.

Father's Education Wise Attitude towards Business

H_{05} : Attitude towards entrepreneurship does not vary as per father's education.

To test above mentioned hypothesis, we have applied ANOVA test. Following are the results of ANOVA test.

Table 15: Descriptive Statistics of Father's Education Wise Attitude towards Business

Father's Education	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Lower Bound		
Up to 12	51	3.3824	.73884	.10346	3.1746	3.5902	1.75	5.00
Graduation	23	3.3913	.74554	.15546	3.0689	3.7137	2.00	4.75
Post-graduation	20	3.6875	.64825	.14495	3.3841	3.9909	2.25	4.50
Above Post-graduation	6	3.8750	.37914	.15478	3.4771	4.2729	3.25	4.25
Total	100	3.4750	.71554	.07155	3.3330	3.6170	1.75	5.00

Table 16: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.462	3	.821	1.634	.187
Within Groups	48.226	96	.502		
Total	50.688	99			

The above mentioned Table 16 shows father's education wise attitude of people towards entrepreneurship. As per the above table, we can observe that f-value is 1.634 and P value is 0.187. As P value is more than 0.05, we can accept the null hypothesis. It means there is no significant difference in attitude towards entrepreneurship of respondents' as per father's education.

Limitations of The Study:

The limitations of this study are as follows:

1. It is restricted to only 100 students of Anand and Vallabh Vidyanagar due to time constraint.
2. It focuses only on key influencers in becoming entrepreneur.

Scope For Further Study:

Due to the limited scope of the present study, a large number of research issues are not attempted but are felt in the course of the study. Some of them are as follows.

1. The research can be carried out at a state or national level to study the impact of startup policies of government.
2. Major obstacles for the entrepreneurship as a career option would be an interesting area of research.

Findings and Conclusion:

It has been observed that teachers or instructor are key influencers followed by parents for entrepreneurship. Students want to become entrepreneur mainly for gaining recognition from the society and to do what they really want to do instead of financial motive. Students' believed that business people are honest and conduct business in a socially acceptable manner. However, they are also of the opinion that malpractices prevail among business people and majority of businessmen do business for only profit. Statistical analysis indicates that many students have very positive

attitude towards entrepreneurship whereas there is no significant difference in attitude towards entrepreneurship as per age, area, class, occupation and education of parents. Overall the attitude of students towards entrepreneurship is very encouraging but still Government, universities etc. need to take some steps to encourage those students who have less inclination towards entrepreneurship. The focus of the HEIs should be on instilling entrepreneurship orientation among students.

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HR Practices and Issues in MSME's in India: A Case Study

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Abstract

Developing nations like India look upto Minor, Small and Medium Enterprises (MSME) as the engines of growth which are largely owned and managed by family run businesses. But the MSME's in India are operating in times of a highly competitive and challenging external environment. This makes the role of Human Resource (HR) extremely crucial in taking and individual unit of an MSME forward and deliver profitability. The current study uses case study method to map and analyse the HR practices and issues in a typical MSME operating in an industrial area in western India and generating profits. The purpose of this study is to assess the HR design and functioning and the methods adopted by MSME's to cope up with the HR challenges.

The results of the study conclude the most HR structures are extremely informal and ad-hoc. They lack professionalism and it could be the reason why several MSME units are not able to grow beyond a limit. Additionally, Government of India's schemes like MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) has only hindered in getting skilled and unskilled labourers and employ them in the manufacturing sector.

Introduction

Minor, Small and Medium Enterprises (MSME) play an important role in any economy and are the key generators of employment and income worldwide. MSME's in India also play a vital role in the growth of the economy. It contributes 45% of total industrial output and employs 60 million people, creating 1.3 million jobs every year. This sector is the most important employment generation sector and is effective in promoting balanced regional development. In spite of its dynamic role and the huge growth potential, it is found that majority of the MSME's in the emerging economy post liberalization in India are unable to compete effectively. The main reason identified is the internal resource gap faced by them. Firms in the MSME sector are more vulnerable than larger firms because they lack the necessary resources and capability for survival and growth. MSME have proved their effect on national and regional economies the world over. They have strategic significance in both developing and developed economies on account of their significant contribution to national income, employment and exports with limited capital investment. They make a critical contribution to the social and economic development of any nation, be it in the form of equitable distribution of national income, labor absorption, poverty reduction, maintaining a regional balance with development of rural and semi-urban areas and promoting the spirit of entrepreneurship (Rahman, 2006). Similarly, they are also found to be instrumental in aiding effective mobilisation

of both skill and capital resources which may have stayed unutilised otherwise (Heneman, 2000). According to Baruah (2000), MSME play a very vital role in developed and industrial countries like U.S.A., U.K., Canada, and West Germany and Japan. The current study attempts to study the design and functioning of human resource (HR) as a business function in MSME's in India and the methods adopted by organizations to tackle and handle the HR challenges faced with the purpose of recommending ways to make HR more effective and contribute to the organizational growth and functioning.

Role of MSME's in India

In developing countries like India MSME's are considered to be equally important and hence are labelled as 'engines of growth' because of their contribution in income generation and creation of employment opportunities in an economy with abundant, unskilled labour. The Indian economy is established as the second fastest growing economy of the world and in terms of MSME's contribution towards GDP, according to the SME Chamber of India, the contribution was pegged at 17% of the total GDP in 2011 with expectation of reaching 22% in near future. MSME's amount to 45% of total manufacturing output and produce more than 8,000 diverse products using simple traditional technology to highly sophisticated one. The multiple product range include varied items like capital and intermediate goods as well as consumer items. They have a significant presence in the various industries like Engineering Design,

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Food Processing, Pharmaceutical, Textile and Garments, Retail, IT and ITES, Agro and Service sector. They are the major links in the supply chain to large private and public sector units. MSME's have presence both in the national and international markets and enjoy a large share of about 40% of the total exports.

There are roughly about 30 million MSME units in India accounting for 90% of industrial units in the country. This sector, thus plays the most critical role in employment generation and promoting balanced regional development. It employs 60 million people, creating 1.3 million jobs every year. Thus, employing 40% of India's total workforce and also accounting for 50% of private sector employment. The quantitative data on MSME's thus proves that it plays a vital role in developing the national economy by means of high contribution to GDP, manufacturing output noteworthy export earnings with low investment need and high operational flexibility. It also has a significant contribution in overall development of the nation by enabling balance regional growth, low dependence on imports, fostering capabilities to develop indigenous technology and products thereby nurturing the entrepreneurship spirit.

Further analysis of the given statistics of MSMEs reveals that while it is vital in employment generation by employing about 40% of India's total workforce, its contribution to the GDP is a mere 17% thereby demonstrating poor productivity. In spite of its dynamic role and the huge growth potential, the majority of the Indian MSME's in the emerging economy post liberalization are unable to compete effectively in the turbulent and uncertain market conditions. The main reason identified is the internal resource gap faced by them. Multiple challenges like sub-optimum scale of operations, obsolete technology, working capital shortage and inadequate skilled manpower emerge on account of this internal resource crunch. According to research, smaller firms are more vulnerable than larger firms because they lack the necessary resources and competence for survival and growth. According to OECD (2009), in the globalized world economy MSMEs are found to be more susceptible to failure since they do not have a large resource base to withstand and compete with large firms with deep pockets.

Within the internal resource framework, the inadequate importance of human resources has been cited as the primary cause of business failures amongst MSME's (McEvoy, 1984). In the post globalization era too, levels

of human resource efficiency and resulting performance were the primary reason for failure of any MSME (Puplampu, 2005). HR and its different facets play a significant role in addressing the internal resource gaps of MSME's. While MSME's are generally labour intensive units and it had been established that strategic human resource management is the primary determinant of organisational performance, HR strategy of MSME's is one of the least researched areas (Mankelow, 2008). Research in HRM practices and process is largely restricted to large organisations with well-established HR departments, systems and processes.

Human Resource Management Challenges in MSME

MSME's face unique challenges in managing human resources, largely on account of their size and constraints related to their internal resource gaps (Greening et. al 1996). While larger organisations enjoy economies of scale and hence employ teams of specialists to address the complexities involved in managing the human resources of the organisations. This is not viable for MSME's since most of the human resource related activities are handled by the owner manager or general manager with or without the required people management skills.

MSME owners usually have direct impact on operations and activities of businesses than owners of large businesses (Jenkins 2004). Owner managers have to fulfil multiple roles guided by commercial orientation and personal preference, personal objectives and ambition of a certain reputation in the family as well as business and social communities (Southwell 2004). The entire business is promoter driven and hence all activities reflect the values which the promoter holds which are different from the values that employee groups reflect. These differences become critical and have an impact on performance. In the current liberalised and globalised economy, organisations depend on their human capital to gain a competitive edge. Talent crunch has adverse impact on organisation's growth and performance.

MSMEs in India are struggling to fill talent gap, especially at the workmen level and lower positions in the organisation. Identifying right candidate for the right job with the required skill and at the same time aligning the talent to fulling business objectives of desired quality at the practical cost level is a big challenge for MSMEs. In

addition to this retaining the trained talent is another big challenge faced by them. In the competitive world, even if MSME's recruit and select the best talent they do not have the opportunities to offer to the talent to grow and upgrade within their limited scale of operations.

Central and state governments have introduced a number of government sponsored programmes to meet the socio-economic objectives of poverty eradication and harnessing balanced regional growth. These schemes have an adverse impact on the working of the MSME sector. It is believed that the implementation of the government programmes has negative impact on the human resource management. The rate of attrition and employee absenteeism is on the rise in the MSMEs. This has created a problem of managing human resources in the organisation and resulted in negative effect on organisational performance.

In view of these dynamics, an attempt is being made in this research to study how a tradition MSME through the case study method. An aluminum rolling mill will fitted into the category of MSME was taken up for the study with the following objectives in mind:

Objectives:

1. Study the HR role and functioning through the HR practices followed in an MSME's.
2. Study the HR hurdles that are being experienced and how organizations cope with these internal challenges

Methodology: Case study method was used for the study and semi-structured interviews were carried out with the owner of the firm, his son who belongs to the next generation and a group of 15 workers employed in different cadres to understand the current HR issues and the manner in which the company has handled the one's in the past. All interviews were audio-recorded (with the consent of the participant) and transcribed. Old records of employees - joining forms, loans and schemes extended, complaint registers apart from the regular documents of salary slips and appraisal documents were used for analysis.

Case Study:

GAGLANI METAL INDUSTRIES - Historical Background

The organisation, Gaglani Metal Industries (GMI) was established in the year 1965, the company was up and

running by 1967 in the then upcoming industrial hub of Odhav, in the developing city of Ahmedabad. GMI was first aluminum rolling mill in the state of Gujarat, which was established with the financial backing of the eldest brother in a family of five brothers, who had ventured out of a small village in Saurashtra to establish a rolling mill in Kolkata in the late 1950s. The elder brother after finding his feet in Kolkata had called the remaining brothers, one after another and had them all involved in the business in one capacity or another. As the business grew and got established, the brothers decided that they needed to expand operations in other cities. Since, Gujarat was the state from which the brothers hailed the choice was put on the developing town of Ahmedabad. The fourth brother who did not have very grown up children offered to establish the manufacturing unit in Ahmedabad.

Being the pioneer in aluminium rolling mills in Gujarat, at the onset itself, the GMI was able to create a niche for itself in the Gujarat market. The establishment of the company was majorly in the interest of all those industries that required aluminum sheets in Gujarat as it meant that they need not rely as heavily on other markets for their production needs now. The sheets and circles manufactured by GMI were largely taken up by the utensil manufacturers of the state. The aluminium rolling mills industry segment experienced increase competition in the late seventies and early eighties. The competition, however, heated up post 1995.

Initially, the company started off by using virgin aluminum commercial grade ingots from major suppliers like Hindalco, Nalco and Balco (now Vedanta). However, with an increasing competition that was brought about by the sudden industrialization in Gujarat and a booming stainless steel industry that was capturing the utensil market, the company was required to reduce their prices. Hence the company, came up with an indigenous mix of using scrap aluminum procured mainly from various industries and the open market along with the commercial grade ingots to keep up with the price as well as quality issues.

Human Resource Management

GMI does not have a separate human resource department. All human resources related activities are taken up by the owner manager and the family members who are involved in the running of the business. The matters related to the staff are directly handled by the owner manager while the matters related to the factory

workers are dealt through the factory supervisor, wherein the owner manager plays an indirect role. Limited scale of operation is cited as the primary reason for not being in a position to employ a human resource manager. Besides this, the owner manager was of the opinion that it was essential to have a family member involved in handling the human resource issues since they were sensitive issues pertaining to quality as well as the cost of the product, which would ultimately have an impact on the reputation of the company.

Recruitment and Selection

Most of the workers working in the company belong to the state of Bihar and Bengal. These labourers are hired through the referrals of the existing labourers of these states. The labourers that are engaged from the state of Gujarat are also largely hired through internal referrals. Most of the labourers from Gujarat are employed on daily wage basis rather than on a permanent basis. Labourers who are responsible for the firing of the furnaces and smelting are hired on a permanent basis since their presence is required round the clock. There are no fixed selection criteria for selecting the workers since the tasks do not require a high level of specialization, moreover there is a continuous shortage of workers so the company cannot afford to be selective. The recruitment of staff is also done through networks of relatives and friends of the family members. Since, a lot of transactions involve cash dealings, the work is largely trusted to family members or to those employees who have been with the organisation for a long period of time and have proved their loyalty.

As far as employing contractors for getting a steady source of supply is concerned, the company does not engage any contractors. There are huge apprehensions about workers supplied through contractors, forming groups and leading to union activities. Moreover, the contractors themselves are not very professional and have tie ups with a number of other similar companies, thereby diverting the workers between different manufacturing units as per the opportunity available in the short term. Contractors are contacted only during the times when the workload is high. The tasks of these workers that are sourced through these contractors are limited to the work given and that too in the given frame of time.

Training

The manpower required in the production process largely fell in the semi-skilled and unskilled category. The new

unskilled labourers are first employed in the loading and unloading jobs and later, after two to three months they are moved up stream towards the pressing, cutting and polishing functions. The training for the same is gained through observation of the senior worker working on the machine. As discussed earlier the firing of the furnace is considered to be an important function requiring more specialization. This function is therefore carried out by a specialized set of workers. Even this job, however, does not require super specialization and hence is learned on-the-job. At a given point of time, number of workers are involved than required so that more trained hands are available in case if anyone is not available.

The staff hired through internal referrals are also given on-the-job training. The head accountant who is working with the organisation since last 30 years was trained by the owner manager himself. It is this head accountant who has later trained the son of the owner on the intricacies involved in accounting and taxation. Over a period of time the job description of the head accountant has widened to other spheres too and hence he is now in charge of the operational issues of compensation and training of the other accountants and staff members. In addition to this he deals with the clients for their payment dues keeping track of the credit period.

Compensation and Benefits

The mechanism of fixing wages and compensation is largely market driven. The company is paying daily wages at the prevailing market price which is about Rs. 300-400 per day. The rate of wages has risen from 2005-06, in fact, there was a sharp rise in wages by about three to four times than what was being paid then. The sharp rise in wages had made the owners contemplate about the viability of the operations of the company during that period had struggled to cope up with this rise in wage rates. The decision regarding wage rate as well as salary is unilaterally taken by the owner manager keeping an eye on the financial implications of any wage or salary revision.

The company pays different wages to different labourers based on the skills of the workers. The company has always had an eight hour shift from 8 am to 5 pm. The payment for daily workers is done at the end of the shift in the form of cash while the permanent workers are paid for 26 days deducting the days of staggering. The payment to permanent workers is made between 7 to 10th of the month through cheques. The company follows all PF, ESI

and bonus provision laid down under the law. All workers as well as the staff are paid a bonus on Diwali.

The company provides housing quarters for most of the non-local permanent workers. The workers save cost on house rent and at the same time get the benefits of community living as their families are far away in their home towns. The company gains by having workers on hand as and when needed and more so to ensure safety by having certain workers whose presence is required when the furnace is fired.

Performance Management

The organisation has no formal performance appraisal system. Every year workers are given about 10% to 12% of wage rises. The staff also gets about a 5% rise annually. Most of the wage rise though, is a long drawn affair which is based on negotiations between the worker and the owner manager. Both parties usually begin at two different extremes and eventually bargain and settle down somewhere in the middle. The rise in wage rate is based on the tenure the worker has had with the company i.e. those workers who are with the company for a longer period of time are likely to get upward wage revision. Some compensation are also based on the performance of the workers. Workers who perform well during the year are paid a higher bonus than the normal rate of bonus paid to the others. In the past the company has declared high bonus across the board when the company has achieved exceptionally high production. Since, the organisation is small and the job descriptions here are very fluid there is little or no possibility of promotion or career development.

Industrial Relations

The workers have never formed unions nor have they shown any interest to be part of large unions. The workers believe they are treated like family and so they are not interested in forming unions. Moreover, being part of any formal union would require the worker to part with some part of the wages every month which is not acceptable to the workers working in this company. Similarly, there have not been any major incidents of indiscipline since the time the company was established. Minor incidents of theft, quarrelling, insubordination, alcoholism etc. are largely handled by giving verbal warning or dismissal of the erring worker.

The company also funds certain festivals of the workers like the 'Vishwakarma Pooja' which the worker community

celebrates with the fanfare of establishing the idol of the deity, worshiping, lunch, dinner and certain cultural programmes. In the Diwali Pooja, the family of the owner and the family of all staff members are invited to do the 'Chopda Poojan' (worship of the books of accounts). A grand dinner is given by the owner but the workers contribute by cooking a variety of items that are part of their regional cuisine and serve it to all the guests. Likewise, staff members are considered to be part of the extended family of the owner. Most of the staff has been with the company for the past twenty-five to thirty years. Any social occasions on the side of the owner or the staff is attended with family and taken care of by the staff and the owner respectively. In fact, the owner gives interest free loans to staff members for meeting expenditure for different occasions like wedding in the family, education of children or medical issues.

Absenteeism and Labour Turnover

The company suffers from acute absenteeism, which ranges from one day to about three months. Extreme absenteeism is experienced in the months of April, May and June. These are the months during which most workers from the states of Uttar Pradesh, West Bengal and Bihar go back to their home towns for different social functions, since this period is considered to be most auspicious for having weddings and other auspicious social engagement. In this scenario, the production is carried out by hiring inexperienced daily wagers in place of experienced and skilled workers who are on leave. On account of this, production suffers both in terms of quality and quantity and in addition to this the company has to pay higher rates to inexperienced daily wagers since all the other units in the same area and nature of business are also experiencing extreme absenteeism. Though the company is aware of the likely days of labour absenteeism, they are not in a position to do have over production beforehand since it locks a lot of working capital in inventories and other carrying costs. Plus there are certain processes like the smelting process that cannot be done in piecemeal and need to be done just in time of the production cycle.

The rise in the number of industries in Ahmedabad has given rise to competition for manpower. Instances of workers leaving for a meager increase in remuneration of less than five hundred per month is not novel. The average tenure of workers, which was about five to seven has gone down to two years or less. Reduction in the influx

of workers coming from the state of Bihar and Uttar Pradesh is attributed to the rise in industrialization in these states. Moreover, government schemes like MANREGA gives comparatively less income to workers, but it gives higher savings in the cost that the worker has to incur for staying away from home.

Discussion

The current case clearly reflects and validates the literature that HR practices in most SME's and MSME's in India are handled in an informal manner and is under the direct guidance of the owner who has several objectives to focus upon (Jenkins 2004) In the case analysed here the absence of any specialized person to take care of all human resource activities and the responsibility distributed between the owner manager, the son of the owner, the chief accountant, the head supervisor etc. validates the informal manner in which HR is structured (Gilbert and Jones; 2000). 'We are supposed to act as per the need and the orders of the boss and that helps us to develop and bonding and family like environment in the company' (An employee) but such unspecified situations lead to issues of overlaps and coordination. A clear cut delegation of human resource activities to one person would help in focusing and formulating policies and practices that are likely to be more effective. Since there isn't a firmed up job role therefore all forms of assessment and measurement of the human resource activity is completely absent. Recruitment of workers is made through networks and internal referrals and informal channels like the local contractors or currently employed worker but analysis of a written record of the same could be a good tool for the company understand trends and get into the process of systematic hiring and subsequently increasing profitability and improving performance (Quader and Abdullah, 2012). All other softer functions like training, employee engagement etc. are of course missing and whatever training happens is on-the-job training. This leads the company to lose out on time by when the hired worker becomes productive but lack of fore-sight and professionalism lead to prevalence of such HR issues. As literature from the field of HR suggests that establishing a systematic HR process in an organization is a time consuming activity which needs to be in a step by step systematic manner (Greening, et.al , 1996).

The basic focus of the Indian Government on MSME segment has been on the employment generation. Through the promotion of Make in India also the Government is

trying to boost the manufacturing sector. The Government of Gujarat has given various incentives to make Gujarat a manufacturing hub. However, the ground reality is that in Gujarat, for years together manpower, especially skilled and semi-skilled, has been migrating from the states of Uttar Pradesh, Bihar and West Bengal. The Gujarati labourers are largely involved in farming and trading and have always been a minority in the industrial workforce in Gujarat. Furthermore, the schemes like MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) and distribution of free rice etc. has further added to the human resource unavailability for the MSME units. Thus, if the Government intends to keep the MSME segment alive and thriving then it is imperative for the Government to intervene in the form of policy, skill development and various other measures. Audretsch and Thurik (2000, 2001) emphatically put forward their point that as we are moving towards "knowledge-based" economy, the role of HR is becoming crucial. In times of competition the companies have the double-trouble of need for highly skilled labour and lack of such a workforce. These challenges are hidden potent concerns in smaller firms which erupt in some varied manifestation.

Recommendations

Taking clue from the HR literature, it is clear there is an absence of a specialized person who can steer and guide the HR activities in the case above and therefore there is conflict and confusion. The company must hire or appoint a professional with HR is the main responsibility. Delegating the HR responsibility to a single authority will ensure that there is a structured and systematic manner of hiring the workforce depending upon the anticipated work hours, estimation from the absenteeism and turnover from the past records which would help in a smooth functioning of the HR than the ad-hoc manner in which it is currently functioning.

Recruitment through professional agencies and beyond referrals and internal networks would smoothen and add objectivity to the hiring process. Once the HR is managed in a professional manner, employee career planning, promotion policy, training of the workforce and adding incentive to promote merit and healthy internal competition will be automatically done which will help GMI upgrade and focus on higher organizational goals.

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CONCLUSION

The MSME's have a central role in encouraging entrepreneurial spirit in the country and at the same time they are instrumental in providing employment to a large number of skilled and unskilled labour. Management of Human Resource is one of the most indispensable development indicators for organizations at present. In this research project effort is made to study an MSME, GMI to provide some evidence regarding the company's human resource management practices and problems. With respect to practices, the findings suggest that there is a lack of formalization in performing the human resource activities. The company has no formal HR department and different people involved in variety of other activities handle the HR practice in a spasmodic manner. The HR activities like human resource planning, recruitment, performance management, compensation, industrial relations etc. are not given specific attention nor are professional management tools used to handle them. In terms of human resource problems, it is found that the organisation suffers from high labour absenteeism and turnover and these are the woes that are experienced by all the competitors in this segment too. Since the company has little or no control, the human resource problems are found to be more pressing than financial issues. In the end, an attempt is made to take a professional as well as customized view of the HR activities like recruitment, compensation, training and performance management so that the larger issues of labour turnover and absenteeism may be tackled thereby ensuring the growth and sustainability of the organisation.

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Impact of Receivables on Profitability and Liquidity in Food Processing Industry

Paresh Shah*, Deepen Gajjar** and Rohit Jain***

Abstract

Receivables is the money which is received from the customers. If the business has to survive for the long run, it has to provide credit to their customers as because the receivables are also the part of working capital requirement any business. Receivables which is also known as Debtors is the money which is received after certain period of time. The tenure for the receivables are as per the policies frames by the top management. Relax policy for the receivables will lead to increase in the current assets of the company moreover, it will also lead to increase in the goodwill of the company however, relaxation of policy for the receivables will lead to blockage of funds for the particular period of time which may affect the working capital of the business and so the management should be careful while deciding the policy for the receivables. Therefore, the objective of this research is to determine the impact of receivables on profitability and liquidity on the basis of dependent and independent variables and thorough statistical analysis. For the purpose of this research 15 companies in the food processing industry has been taken and the analysis has been done by taking last 10 years data i.e. from 2008 to 2017. This study will identify that the receivables has the significant impact on profitability or on liquidity.

Keywords: receivables, anova, multiple regression, profitability, liquidity

Introduction

Indian Food Processing industry accounting for about 32% market share in the total food products in the market and increasing its contribution every year. The Indian food processing industry has a huge potential for the value addition. It is considered as a high profit margin sector. The Government of India is making efforts to encourage the investments in this sector moreover the government has also approved various proposals regarding the Joint Ventures, Merger and Acquisitions, Licensing and also 100% export oriented units.

The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) Year 2016-17 in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment. The Indian gourmet food market is currently valued at US\$ 1.3 billion and is growing at a Compound Annual Growth Rate (CAGR) of 20 per cent. India's organic food market is expected to increase by three times by 2020.

Statement of Problem

Receivable management is the important component of current assets as well as has impact on the

liquidity and profitability of every business. The study is carried out to find the impact of receivable on profitability and liquidity of the selected Fast Moving Consumer Goods (FMCG) companies. Accounts receivable in the Food Processing industry has a vital role as a part of current assets as it generates high amount of cash flow in the business. If the firm fails to meet the day to day liquidity, the goodwill of the company is likely to be affected, hence the purpose of the study will be helpful in determining the effect of account receivables on profitability as well as on liquidity.

Following are the objectives of the study,

- To determine the impact of receivables on profitability
- To determine the impact of receivables on liquidity

Literature Review

Emmanuel Opoku Ware (2015) in his research has taken three indicators to measure the liquidity i.e. Cash Conversion Cycle, Average Collection Period, Average Payment Period and Growth and Size to indicate whether the liquidity management has any significant relationship with profitability. The findings indicated that all the three measures have no significant relationship with the profitability of the companies listed in Ghana Stock Exchange. In ksenija (2013), he investigates how public companies listed at the regulated market in the republic of Serbia manage their accounts receivable during recession times. The study revealed that there is positive

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impact between the receivables and profitability and concluded that profitability is affected at the time of crisis. BarotHaresh (2012), this paper observed a negative relationship between accounts receivables and corporate profitability and a positive relationship between accounts payable and profitability. Dheenadhayalan.V and Devianbarasi (2009) made "A Study on Financial Health of Co-operative Sugar Mills - A Case of NPKRR Co-Operative Sugar Mills Ltd", in which they've revealed that the financial health of the co-operative sugar mills remained sick with the help of Z-score analysis. Deloof M. (2003) in his paper stated that the way in which working capital is managed will have a significant impact on profitability of those firms. Using correlation and regression tests the researcher has found the negative relationship between gross operating income and Account receivables ratio (in days). Mathuva (2009) examined the influence of receivables and payables management on corporate profitability by using a sample of 30 firms listed on the Nairobi stock exchange (NSE) for the periods 1993 to 2008. He used Pearson and Spearman's correlations, the pooled ordinary least square (OLS), and the fixed effects regression models to conduct data analysis. The key finding of his study were: i) there exist a highly significant negative relationship between the ACP and Profitability; ii) there exist a highly significant positive relationship between the APP and profitability. Sakthivel Murugan, M. (1999) in his article on "Working Capital Management - A Case Analysis", had stated that out of several indicators to measure working capital management efficiency is the examination of adequate liquidity. To examine the adequate amount of liquidity Z-score analysis is done which revealed that the company was maintaining the proper amount of working capital by investing in current assets. Jose (1996) in his article "Corporate returns and Cash Conversion Cycle of US Firms" has identified negative relationship between cash conversion cycle and profitability which lead to more aggressive working capital management to achieve higher profitability. Vijayakumar, A. and Venkatachalam (1995) have made "An Empirical Analysis on Working Capital and Profitability of Sugar Industry in Tamilnadu" covering a period from 1982-83 to 1991-92. Correlation and regression analysis have been applied to measure the impact of working capital ratios on profitability. The study had revealed that liquid ratio, cash turnover ratio and receivable turnover ratio had positively influenced the profitability.

Research Methodology

Sample Selection: The study is purely based on secondary data. The required data are collected from the annual report of the companies. 15 companies from the food processing industry are selected for this study.

Sample Size: The population of this study comprises of 15 Food Processing companies in India. The study covers the period of 10 years i.e. from year 2008 to 2017.

Source of Data: The study uses secondary data that were extracted from the selected Food Processing companies in India. Data from the published and audited annual reports are proven to be more reliable because companies are required to keep the records of the accounts which gives true and fair view of the company.

Dependent Variable:

For this study the dependent variables are Net Profit Margin, EBIT Margin, Return on Assets, Gross Profit Margin.

Net Profit Margin: The net profit margin ratio, also called the return on sales ratio, is a profitability ratio that measures the amount of net income earned with each rupee of sales generated by comparing the net income and net sales of a company. In other words, the profit margin ratio shows what percentage of sales are left over after all expenses are paid by the business.

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Sales}} \times 100$$

Gross Profit Margin: Gross margin ratio is a profitability ratio that compares the gross margin of a business to the net sales. This ratio measures how profitable a company sells its inventory or merchandise.

$$\text{Gross Profit Margin} = \frac{\text{Gross Profit}}{\text{Sales}} \times 100$$

EBIT Margin: Earnings Before Interest and Tax (EBIT) Margin is a profitability ratio that measures what percentage of total revenues is made up by operating income. In other words, the operating margin ratio demonstrates how much revenues are left over after all the variable or operating costs have been paid. Conversely, this ratio shows what proportion of revenues is available to cover non-operating costs like interest expense.

$$\text{EBIT Margin} = \frac{\text{EBIT}}{\text{Sales}} \times 100$$

Return on Assets: Return on Assets is a profitability ratio that measures the net income produced by total assets during a period by comparing net income to the average total assets. In other words, the return on assets ratio or ROA measures how efficiently a company can manage its assets to produce profits during a period.

$$\text{Return on Assets} = \frac{\text{Net Profit}}{\text{Total Average Assets}} \times 100$$

Current Ratio: The current ratio is a liquidity and efficiency ratio that measures a firm's ability to pay off its short-term liabilities with its current assets. The current ratio is an important measure of liquidity because short-term liabilities are due within the next year.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Liquidity Ratio: It measures the ability of a company to pay its current liabilities when they come due with only quick assets. Quick assets are current assets that can be converted to cash within 90 days or in the short-term. Cash, cash equivalents, short-term investments or marketable securities, and current accounts receivable are considered quick assets in other words, it does not cover the stock and prepaid expenses.

$$\text{Liquidity Ratio} = \frac{\text{Current Assets} - \text{Stock} - \text{Prepaid Expenses}}{\text{Current Liabilities}}$$

Independent Variable:

Net Profit to Debtors ratio: The ratio indicates the amount of Net Profit generated against a rupee investment of debtors. It indicates how efficiently Net Profit is generated by the debtors of the company.

$$\text{Net Profit to Debtors ratio} = \frac{\text{Net Profit}}{\text{Debtors}}$$

Gross Profit to Debtors ratio: The ratio indicates the amount of Gross Profit generated against a rupee investment of debtors. It indicates how efficiently Gross Profit is generated by the debtors of the company.

$$\text{Gross Profit to Debtors ratio} = \frac{\text{Gross Profit}}{\text{Debtors}}$$

Accounts Receivable Ratio: The ratio indicates the number of times debtors are making payment in a year. It indicates the number of times cash is generating in a year through account receivable of the company.

$$\text{Accounts Receivable Ratio} = \frac{\text{Credit Sales}}{\text{Average Debtors}}$$

Cash to Debtors ratio: The ratio indicates the efficiency of debtors to generate the cash. Higher the ratio better the efficiency.

$$\text{Cash to Debtors ratio} = \frac{\text{Cash}}{\text{Debtor}}$$

Debtors to Working Capital: The ratio indicates the dependency of account receivables in working capital

$$\text{Debtors to Working Capital} = \frac{\text{Debtors}}{\text{Working Capital}}$$

Tools for Analysis:

Regression Analysis:

In order to determine the impact of accounts receivable on profitability and liquidity, multiple regression model can be used. The multiple regression model consists of set of independent variables that can be used in order to determine the impact on dependent variables

Following are the multiple regression models developed,

To measure Profitability

$$NP = \alpha + \beta_1(ND) + \beta_2(GD) + \beta_3(CD) + \beta_4(ARR) + \beta_5(DW)$$

$$GP = \alpha + \beta_1(ND) + \beta_2(GD) + \beta_3(CD) + \beta_4(ARR) + \beta_5(DW)$$

$$EM = \alpha + \beta_1(ND) + \beta_2(GD) + \beta_3(CD) + \beta_4(ARR) + \beta_5(DW)$$

$$ROA = \alpha + \beta_1(ND) + \beta_2(GD) + \beta_3(CD) + \beta_4(ARR) + \beta_5(DW)$$

To measure Liquidity

$$CR = \alpha + \beta_1(ND) + \beta_2(GD) + \beta_3(CD) + \beta_4(ARR) + \beta_5(DW)$$

$$LR = \alpha + \beta_1(ND) + \beta_2(GD) + \beta_3(CD) + \beta_4(ARR) + \beta_5(DW)$$

Where,

α = Constant or Intercept

$\beta_1 \dots \beta_5$ = Estimated Coefficient of the variable

NP = Net Profit Margin Ratio

GP = Gross Profit Margin Ratio

EM = EBIT Margin Ratio or Earnings Margin

ROA = Return on Assets

CR = Current Ratio

LR = Liquidity Ratio

ND = Net Profit to Debtors ratio

GD = Gross Profit to Debtors ratio

CD = Cash to Debtors ratio

ARR = Account Receivable Ratio

DW = Debtors to Working Capital Ratio

ANOVA Analysis:

ANOVA analysis is used to determine the significant relationship between two sets of variables. Basically, it tests whether the independent variable affects the dependent variable or not. It also helps to determine that the regression model developed for the study is reliable or not. For the purpose of ANOVA analysis following hypothesis are developed,

With Respect to Profitability

Ho: There is no statistically significant relationship between Accounts Receivable and Profitability

Ha: There is statistically significant relationship between Accounts Receivable and Profitability

With Respect to Liquidity

Ho: There is no statistically significant relationship between Accounts Receivable and Liquidity

Ha: There is statistically significant relationship between Accounts Receivable and Liquidity

Date Analysis and Interpretation

(A) Profitability

TABLE 1: MULTIPLE REGRESSION ANALYSIS BETWEEN NP AND CD, DW AND ND

MODEL	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Regression	.022	3	.007	19.048	.002 ^b
Residual	.002	6	.000		
Total	.024	9			

MODEL	UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS	T	SIG.
	B	STD. ERROR	BETA		
(Constant)	.103	.021		4.848	.003
DW	-.091	.026	-.474	-3.524	.012
ND	-.002	.000	-2.423	-6.860	.000
CD	.004	.001	2.198	6.223	.001

MODEL	R	R SQUARE	ADJUSTED R SQUARE	STD. ERROR OF THE ESTIMATE	CHANGE STATISTICS				
					R SQUARE CHANGE	F CHANGE	DF1	DF2	SIG. F CHANGE
1	.951a	.905	.857	.01966	.905	19.048	3	6	.002

From the above analysis the multiple regression model will be as follows,

$$\text{Equation 1: NP} = 0.103 - 0.02(\text{ND}) + 0.004(\text{CD}) - 0.091(\text{DW})$$

The p-value in Table-1 is less than 5% level of significance and hence the above equation 1 will impact the Net Profit Margin. The NP margin experienced significant negative coefficient of DW and ND and positive coefficient of CD. The R of 0.951 indicated that there is strong relationship between the variables used in the model. The R Square of 0.857 indicates that model generated fits the data accordingly.

Hence NP margin is affected with the change in CD, ND and DW. In case of CD the coefficient is positive

which indicates that high efficiency in collecting the cash from debtors will lead to increase in NP margin. In case of DW the coefficient is negative which indicates that high dependency of account receivable in working capital will lead to decrease in NP margin. In case of ND the coefficient is negative which indicates that high dependency in order to generate Net Profits will lead decrease in NP margin.

TABLE 2: MULTIPLE REGRESSION ANALYSIS BETWEEN GP,ARR AND DW

MODEL		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Regression		.012	2	.006	8.762	.012b
Residual		.005	7	.001		
Total		.017	9			

MODEL		UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS	T	SIG.
		B	STD. ERROR	BETA		
	(Constant)	.306	.027		11.228	.000
	DW	-.078	.032	-.487	-2.412	.047
	ARR	-0.000060	.000	-.710	-3.514	.010

MODEL	R	R SQUARE	ADJUSTED R SQUARE	STD. ERROR OF THE ESTIMATE	CHANGE STATISTICS				
					R SQUARE CHANGE	F CHANGE	DF1	DF2	SIG. F CHANGE
1	.845a	.715	.633	.02651	.715	8.762	2	7	.012

The following equation has formed from the Table -2,

Equation 2: $GP = 0.306 - 0.000060(ARR) - 0.078(DW)$

From the above Table -2 analysis, the p-value is 0.012 which is below 0.05 which indicates that the independent variables DW and ARR impacts the GP Margin moreover regression model or equation (2) generated will impact the GP margin. The GP margin has experienced the negative coefficient of in both DW (-

.078) and ARR (-0.000060). The R of 0.845 indicates that there is stronger relationship between the variables. The R square indicates that regression model developed fits the data accordingly. Hence GP margin is affected by the change in DW and ARR. In case of DW the coefficient is negative which indicates that the high dependency of debtor on working capital will lead to low GP margin. In case of ARR the coefficient is negative which indicates that the increase in ARR will lead to decreased in GP margin of the industry.

TABLE 3: MULTIPLE REGRESSION ANALYSIS BETWEEN EM, CD, DW, ARR, GD AND ND

MODEL		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
	Regression	.013	5	.003	2.382	.210b
	Residual	.004	4	.001		
	Total	.018	9			

MODEL		UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS	T	SIG.
		B	STD. ERROR	BETA		
	(Constant)	.147	.041		3.622	.022
	DW	-.074	.049	-.451	-1.493	.210
	ND	-.001	.002	-1.710	-.899	.419
	GD	0.000037	.000	.311	.366	.733
	ARR	-0.000028	.000	-.318	-.526	.627
	CD	.002	.002	1.431	1.147	.315

MODEL	R	R SQUARE	ADJUSTED R SQUARE	STD. ERROR OF THE ESTIMATE	CHANGE STATISTICS				
					R SQUARE CHANGE	F CHANGE	DF1	DF2	SIG. F CHANGE
1	.865a	.749	.434	.03353	.749	2.382	5	4	.210

From the above Table -3 output following equation will be derived,

Equation 3: $EM = 0.147 - 0.074(DW) - 0.001(ND) + 0.000037(GD) - 0.000028(ARR) + 0.002(CD)$

The above Table-3 output is generated by taking 0.05 or 5% level of significance. The p-value generated from the above SPSS output is 0.210 which is more than 0.05 hence it indicates that there will be no significant relationship between EM and independent variables.

To derive at proper conclusion various combinations of independent variables has been used to

generate the SPSS output however the generated p-value has always been more than 0.05 or higher than 5% level of significance which concludes that the null hypothesis will be accepted which indicates that there is no significant relationship between EM and account receivables. Thus, the EBIT margin will not be affected with change in receivables policy.

There are other factors which affects the EM in the food processing industry which could mainly be the cost of marketing such as advertisement costs, salesman commission, discounts, insurance costs, depreciation, employee benefit expenses, power and fuel.

TABLE 4: MULTIPLE REGRESSION ANALYSIS BETWEEN ROA, ND and CD

MODEL		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
	Regression	.003	2	.002	4.865	.047b
	Residual	.002	7	.000		
	Total	.005	9			

MODEL		UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS	T	SIG.
		B	STD. ERROR	BETA		
	(Constant)	.064	.007		9.358	.000
	CD	.002	.001	2.121	3.099	.017
	ND	-.001	.000	-2.069	-3.022	.019

MODEL	R	R SQUARE	ADJUSTED R SQUARE	STD. ERROR OF THE ESTIMATE	CHANGE STATISTICS				
					R SQUARE CHANGE	F CHANGE	DF1	DF2	SIG. F CHANGE
1	.763a	.582	.462	.01763	.582	4.865	2	7	.047

From the above Table-4 following regression model will be formed,

Equation 4: $ROA = 0.064 + 0.002(CD) - 0.001(ND)$

The above output is generated by taking 0.05 or 5% level of significance. The p-value generated from the above output is 0.047 which is below 0.05 level of significance which concludes that the ROA is impacted by the independent variables CD and ND moreover the equation 4 generated will impact the ROA. The ROA

has experienced positive coefficient in CD (0.002) and negative coefficient of (-0.001). The R of 0.763 indicates the stronger relationship between the variables. The R Square of 0.582 indicates that the regression model or equation generated fits moderately in the data used accordingly.

From the above data it can be said that there is a significant relationship between the ROA and the independent variables which are CD and ND. In case of

CD the coefficient is positive which indicates that if the CD increases the ROA will increase too. It means that higher CD will lead to efficient generation of cash from the debtors and increase in cash inflow will lead to developing of assets which results into high efficiency of ROA.

(B) Liquidity

TABLE 5: MULTIPLE REGRESSION ANALYSIS BETWEEN CR, CD, DW, ARR, GD and ND

MODEL	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Regression	.157	5	.031	1.468	.366b
Residual	.086	4	.021		
Total	.242	9			

MODEL		UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS	T	SIG.
		B	STD. ERROR	BETA		
1	(Constant)	1.250	.177		7.044	.002
	DW	.268	.216	.444	1.242	.282
	ND	-.007	.007	-2.370	-1.052	.352
	GD	.000148	.000	-.342	-.340	.751
	ARR	.000252	.000	.791	1.102	.332
	CD	.015	.009	2.367	1.601	.185

MODEL	R	R SQUARE	ADJUSTED R SQUARE	STD. ERROR OF THE ESTIMATE	CHANGE STATISTICS				
					R SQUARE CHANGE	F CHANGE	DF1	DF2	SIG. F CHANGE
1	.805a	.647	.206	.14621	.647	1.468	5	4	.366

From the above Table -5 output following equation or regression model is generated,

Equation 5: $CR = 1.250 + 0.000252(ARR) + 0.015(CD) + 0.268(DW) - 0.007(ND) + 0.000048(GD)$

The above SPSS output is generated by taking 0.05 or 5% level of significance. The p-value generated from the output is 0.366 which is more than 0.05 level of significance which indicates that the none of the independent variables are affecting the CR.

Various combination of independent variables has been taken in order to derive at the reasonable conclusion however in all those combinations the p-value generated is always more than 0.05 which concludes that none of the independent variables are affecting the CR which concludes that the null hypothesis will accepted which indicates that there is no significant relationship

between CR and accounts receivable. Therefore, the CR will not be affected by the change in receivables policy.

There are factors other than the account receivables which may affect the CR of the food processing industry. Level of inventory, creditors policy, short term borrowings and advances, current investments could also be the factors which might affecting the CR of the food processing industry.

TABLE 6: MULTIPLE REGRESSION ANALYSIS BETWEEN LR, CD, DW, ARR, GD AND ND

MODEL	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Regression	.092	5	.018	1.638	.326b
Residual	.045	4	.011		
Total	.137	9			

MODEL		UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENTS	T	SIG.
		B	STD. ERROR	BETA		
	(Constant)	.625	.129		4.860	.008
	DW	.198	.156	.436	1.265	.275
	ND	-.005	.005	-.2046	-.941	.400
	GD	.000171	.000	-.528	-.545	.615
	ARR	.000166	.000	.694	1.002	.373
	CD	.011	.007	2.238	1.570	.192

MODEL	R	R SQUARE	ADJUSTED R SQUARE	STD. ERROR OF THE ESTIMATE	CHANGE STATISTICS				
					R SQUARE CHANGE	F CHANGE	DF1	DF2	SIG. F CHANGE
1	.820a	.672	.262	.10595	.672	1.638	5	4	.326

From the above Table-6 output following equation or regression model is generated,

$$LR = 0.625 + 0.000166(ARR) + 0.011(CD) + 0.198(DW) - 0.005(ND) + .000171(GD)$$

The Table-6 output is generated by taking 0.05 or 5% level of significance. The p-value derived from the above Table-6 which is 0.326 is more than 0.05 level of significance and hence the LR will not be affected by any change in the independent variables.

To derive at the reasonable conclusion various combination of independent variables have been chosen to generate the SPSS output however all the combination has generated the p-value more than 0.05 or 5% level of significance which concludes that the null hypothesis is accepted which indicates that there is no significant relationship between LR and independent variables. Therefore, the LR will not be affected by any change in liquidity.

There are other which affects the liquidity ratio of food processing industry which are, fluctuations in cash balance, investing in marketable or short-term securities, short term advance or borrowings, creditor's policy, outstanding expenses.

Conclusion

The impact of account receivables on the profitability and liquidity has been analyzed by taking past 10 years data of 15 selected food processing companies. From the analysis it is concluded that the NP margin, GP Margin and Return on Assets has significant relationship between profitability and accounts receivable and in case of Current Ratio and Liquidity Ratio it is concluded that there is no significant relationship between Liquidity and Accounts Receivable. And on the basis of overall analysis, it is important to manage the accounts receivables in the food processing industry to maintain the profitability as the NP Margin, GP Margin and ROA will directly impacted by the change in accounts receivables. However, the in case of EBIT margin there are other factors which is impacted which could be indirect expenses such as marketing expenses, depreciation, distribution costs.

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Exploring the Relationship of Pre-Purchase Service Quality with Business Generation for Bancassurance in India

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Abstract

Purpose - The purpose of this paper is to study the relationship between business generation and pre-purchase service quality by bank employees selling life insurance products.

Design / methodology / approach - The paper present a survey of the bancassurance (bank employees selling life insurance) in Gujarat State (India) under descriptive cross sectional research design. Logistic regression is used for data analysis.

Major findings – In pre-selling talk proper explanation of Policy design is important for better sales conversation ratio. The policy design includes the variables namely premium design and security options. Female bank employees are more efficient compare to their male counterpart in generating the business. Experience employees are better in increasing sales.

Originality / value - The paper is value to all those who are interested in insurance distribution including Insurance Regulatory and Development Authority (IRDA). It is also helpful to bankers, who are interested in cross selling activities. It is suitable for academics and practitioners alike.

Key Words: Pre-Purchase Service Quality, Bancassurance

JEL Classification: G22, D30, M31

Introduction:

Privatisation of life insurance industry in India is now not a new phenomenon. It was more than fifteen years back when government of India came with IRDA bill and allowed the entry of foreign players with limited ownership. Subsequently the numbers of insurers are also grown from five to fifty and the penetration of life insurance services is also increased from 1.5 per cent to 2.5 per cent in 2016. During this period the industry has also witnessed the significant change in product portfolio and channel mix. The bancassurance and Online selling of life insurance are the two fundamental changes in distribution system of Indian life insurance industry which are emerged during this period of liberalisation. The bancassurance has gained the momentum very fast especially for the private players and proved as a game changers in establishing the new entrants. Leach (1993) defines bancassurance as "the involvement of banks, savings

banks and building societies in the manufacturing, marketing or distribution of insurance products". In simple words it can be defined as the sale of insurance products through banks' distribution channels (Bancassurance a Cross the Globe - Meet with very Mixed Response, 2003). According to IRDA, bancassurance refers to banks acting as corporate agents for insurers to distribute insurance products (Karunagaran, 2006).

Compare to wide network of banks in India, it seems under penetrated and the low share of Life Insurance Corporation of India (LIC) in bancassurance questions its unanimous acceptability. To cope up with the situation, IRDA has already come out with new regulations that allow banks and other corporate agents to tie - up with maximum three insurers in life insurance as well as in non - life and health categories. The magnitude of this problem can be better understood by observing the channel wise new business performance (Table 1).

Table 1 : Channel Wise New Business Performance (2015-2016)

	Individual Agents	Corporate Agents		Brokers	Direct Selling	Total	Referrals ¹
		Banks	Others				
LIC	96.50	2.18	0.14	0.02	1.03	100.00	0.00
Private	31.90	51.70	3.00	3.64	8.65	100.00	0.06
Industry	68.27	23.82	1.39	1.60	4.36	100.00	0.03

Source: The table extracted from IRDA Annual Report 2015-16

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¹ The leads obtained through referral arrangements have been included in the respective channels.

As indicated in above table, a large portion of the business (sixty eight point twenty seven per cent) is coming from the traditional channel and the market leader (LIC) is still getting its ninety six point fifty per cent business from agents. Popular distribution channels in many countries (Banks, Brokers and Direct Marketing) are still not accepted well by LIC. The credit for development of alternate channels goes to private players who brought this innovation to static distribution system of Indian Market. The fifty one point seventy per cent share of bancassurance channel in private insurer's new business not only indicates the acceptance of new channel but also reveals the increasing consumer consciousness towards the alternate channel cost. In Indian market, the players are struggling with the suitability of their respective channel and socio cultural ethos: which are diverse, vibrant and tricky to change. Because of this, huge proportion of business is still coming through the traditional channel that is through agents the potential for bancassurance is required to be studied and penetrated. The bancassurance performance in last eight years will more clarify the picture (Table 2).

Table 2 : Bancassurance Contribution to New Business (2007-08 to 2015-16)
(All figures are in percentage)

	07-08	08-09	Change	10-11	Change	15-16	Change	Change (07-08 to 11-12)
LIC	1.30	1.70	0.40	1.81	0.11	2.18	0.37	0.88
Private	18.89	20.78	1.89	33.21	12.43	51.70	18.49	32.81
Industry	7.97	9.69	1.72	13.30	3.61	23.82	10.52	15.85

Source: IRDA Annual Report 2007-08, 2008-09, 2010-11 and 2015-16

Banks have been utilized well by the private players to enter in the Indian market. More than fifty per cent business for private players is coming through banks and twenty three point eighty two per cent of the business of the industry is coming through banks. All the figures of change are positive and showing the most acceptable upcoming channel for Indian market is bancassurance. It is quite surprising that the market leader having an era of forty four years monopoly before entry of private players has never taken this channel seriously. The most unfortunate part is between seventies to nineteen ninety two, when life insurance and banks both were nationalized, still nobody could exploit an idea to be complimentary to each other.

2. Literature Review

Bancassurance is a global movement that is gradually breaking down the traditional barriers between the various

businesses of supplying financial products and services (Benoist G, 2002). It is a method of distributing insurance products and has become a global trend that is gradually breaking down traditional barriers in how businesses supply financial products and services. Providing the more specific facts, Staikouras (2006) says that bank-insurance has been set up successfully in France, Spain, Portugal, Italy, and in the Benelux Region. The German, Greek¹, Swiss, and the UK markets have been slow in the implementation of such corporate restructuring. Countries like Singapore, Malaysia, Indonesia and Hong Kong are actively engaged in bancassurance from many years while India, Korea, China and Japan are late entrants to this market due to regulatory framework.

Mentioning the rationale for success, Brahman, Lokanandha & Pulugundla (2004) mentioned that all intermediaries can't sell all lines of business profitably in all markets. There should be clear demarcation in the marketing strategies of the insurance company / banker from this perspective, choosing a right model may prove

essential in bancassurance set up. Indian bancassurance would probably have to take a leaf out of the French bancassurance book and confine themselves initially to simple products, often savings-related, before graduating to more complex ones. Parihar (2004) has the same opinion that the Insurance products with low complexity can be sold through this channel but products with high complexity will have a lot of difficulty in terms of time, effort and cost to train bank employees. On commenting about Indian market, Low (2004) says that this would be a right time for banks to resorting to bancassurance, especially in the context of proactive policy environment of regulatory authorities and the Government, the changing mindset is cascading through the banking sector in India. Sinha (2005) says that the regulatory changes made by the Reserve Bank of India and the Insurance Regulatory and Development Authority have been favourable to bancassurance development and it is growing rapidly in

India, while contradicting to them, Anand & Murugaiah (2006) say that the Indian insurance industry is highly regulated and bancassurance as a concept is still in the evolution stage.

Rao and Nagaraja (2004) have expressed their views that the number of policies sold through bancassurance model is modest as of now. Those in charge of sales should be trained adequately to avoid any miscommunication (Rao, 2004). Mishra (2004) tracked the feedback obtained from some existing bancassurance customers and discovered that thirteen per cent customers did not know the details of policy they have purchased and its future usage or benefits, nineteen per cent customers felt they have not got sufficient cover for insurance needs of their family, ninety six per cent of customers rated LIC as the best financially stable insurance company and seventeen per cent of customers felt private insurers can better service the claims than PSU insurers but rest eighty three per cent considered PSU insurers as better in claim paying ability and systems. On the basis of the survey of employees of bancassurance in western India, Sadri (2009) concluded that commission is more important than telling the truth while selling life insurance. Ethical considerations were lost.

2.1 Pre-Selling Service Quality & Sales Conversion Ratio

According to Eckardt (2006), intermediaries provide advisory, bargaining, information and administrative services. The difference to the service quality concept by Eckardt (2006) lays in the fact, that the input quality is also measured by variables which describe the intermediary's activities. Out of twenty seven variables proposed by Eckardt (2006), on the basis of experts' advice, twenty four variables are considered for measuring pre-selling service quality of the intermediaries and by confirmatory factor analysis it has been divided into five factors. Following Eckardt (2006), the conversion ratio is considered as a dependent variable and the five pre-selling service quality variables [H1 (1.1) to H1 (1.5)] and other demographic variables are considered as an independent variables [H1 (1.6) to H1 (1.11)]. Thus, the following hypotheses are proposed.

H1 (1.1) : There is a significant relationship between security option and conversion by pre-selling talk of bancassurance.

H1 (1.2) : There is a significant relationship between policy design and conversion by pre-selling talk of bancassurance.

H1 (1.3) : There is a significant relationship between contract execution and conversion by pre-selling talk of bancassurance.

H1 (1.4) : There is a significant relationship between contract modification and conversion by pre-selling talk of bancassurance.

H1 (1.5) : There is a significant relationship between general aspects and conversion by pre-selling talk of bancassurance.

H1 (1.6) : There is a significant relationship between age of bank employee and conversion by pre-selling talk of bancassurance.

H1 (1.7) : There is a significant relationship between gender of bank employee and conversion by pre-selling talk of bancassurance.

H1 (1.8) : There is a significant relationship between from No. of years bank employee is in the business and conversion by pre-selling talk of bancassurance.

H1 (1.9) : There is a significant relationship between education level of bank employee and conversion by pre-selling talk of bancassurance.

H1 (1.10) : There is a significant relationship between marital status of bank employee and conversion by pre-selling talk of bancassurance.

H1 (1.11) : There is a significant relationship between bank's association with type of company and conversion by pre-selling talk of bancassurance.

2.3 Literature Gap

The literature about distribution of life insurance clearly indicated that in most of liberalized economies, the use of more than one channel is common and evidences suggest that the multichannel strategy needs to be adopted, where both the agents and other channels, like brokers, banks, corporate agents and advisors play a greater role in carrying out the smooth network flow. This would help to create sustainable competitive advantage for this synergy (Ranade and Ahuja, 1999). Now after almost two decades still the bancassurance has market share of twenty three per cent of new premium, it is required to

² The Greek market appears to be a pioneer in the implementation of bancassurance, in the sense that the phenomenon existed in a de facto mode for decades (Kalotychou and Staikouras, 2007)

study the reasons for lower adoption rate of alternate channels. The reasons could be found by studying its service quality.

A clearly flowing literature indicating the superiority in service quality by various modes of distribution is also not found. Authors like Etgar (1976), Eckardt & Rathke-Doppner (2010) are not able to get any conclusion in this regard. The literature indicates that, in India, the focus has been found out on getting new business only. Most of the problems and issues confronting the Indian life insurance business in today's situation are because of more marketing orientation, in the issues like recruitment and selection of intermediaries, retention of agents, education and training, agent productivity and morale, market conduct issues and research (Machiraju, 2004). The marketing orientation is not only limited to insurer but also associated with intermediary (Seethapathi, 2004). So, it is interesting to study the bancassurance service quality in Indian context and fulfil this literature gap up to some extent.

3. Objectives of the Study

Following are the objectives of study.

1. To study the relationship between pre purchase service quality and business generation
2. To study the impact of demographic variables on business generation

4. Research Methodology

An insurance market is characterized by asymmetric and incomplete information between insurance companies and consumers (Cummins & Doherty 2006; Eckardt 2007). Insurance intermediary market is also characterized by incomplete and asymmetric information. Information and counseling services are complex and long-term insurance purchase decisions having experience and credence goods (Nelson 1970; Darby & Karni 1973; Hirshleifer 1973). According to principal-agent theory, this information asymmetry leads to low quality provision due to differing objectives between principals and agents. Consumers as principals have only incomplete information about an intermediary's knowledge, characteristics and experience before contract conclusion as well as about the intermediary's proper intentions and actions after contract conclusion. Therefore, the performance of the intermediary can only be incompletely assessed by the principal. So, the service quality of life insurance

intermediary can better assessed through survey of intermediaries rather than customers. So in this reserch, employees of banks selling life insurance are considred as an element. For making the study conclusive, descriptive research design is used after exploratory research. Under descriptive research, Cross sectional design is used, i.e. information from the sample of population element is collected only once (Malhotra & Dash, 2007, pp 84).

As discussed in earlier sections (2.1), by confirmatory factor analysis the author has divided the pre selling service quality variables (Annexure-I) in five factors namely Security Option, Policy Design, Contract Execution, General Aspect & Contract Modification. Considering the ideal size of paper the calculations of factor analysis are not included in this write-up. Demographic variables namely Age, Gender, Experience, Education, Marital Status and Type of Company (Private or LIC) are also included in this study. All the dependent and independent variable are clearly mentioned in tabular form in analysis section. Total 65 bank employees consist of 36 selling LIC's product and 29 selling the products of other life insurance companies are surveyed. It includes 43 male and 22 female respondents. The samples are difficult to obtain as only few branches are selling life insurance and in each branch there is only one employee designated for bancassurance. The issue of appointment for survey also persists. The method of sample selection is non probability convenience sampling method.

5. Data Analysis - Relationship between Pre-selling Service Quality Factors, Demographics and Conversion after Pre-selling Talk among Bancassurance

The estimated coefficients for the independent variables are estimated using either the logit value or odd values as the dependent measure. The model formulations are shown here in equation 1 and equation 2:

$$\text{Logit}_i = \ln \left(\frac{\text{probevent}}{1 - \text{probevent}} \right) = b_0 + b_1 x_1 + b_2 x_2 \dots + b_n x_n \quad \text{..... Equation 1}$$

$$\text{Odds}_i = \left(\frac{\text{probevent}}{1 - \text{probevent}} \right) = e^{b_0 + b_1 x_1 + b_2 x_2 \dots + b_n x_n} \quad \text{..... Equation 2}$$

Here, the dependent variable has three categories wherein 32.3 per cent respondents (n = 21) having 0 to 10 per cent conversion by pre-selling talk, 40.0 per cent (n =

26) respondents having 11 to 20 per cent conversion by pre-selling talk and rest 27.7 per cent having conversion more than 20 per cent conversion (n = 18). Of which, the last category is considered as the reference category. So, two comparisons are made as shown in table 3 & 4.

comprise of both (non-metric measurement) and continuous (metric measurement). In logistic, the metric variables are treated as ‘covariate’ and non – metric or categorical variables are treated as ‘factors’. All independent variables are feed simultaneously in SPSS.

Table 3 : Descriptive Results: Conversion by Pre-selling talk of Bancassurance

Variable	Categories	Frequency	Percentage
Conversion by Pre – selling talk	0 to 10%	21	32.3
	11 to 20%	26	40.0
	More than 20%	18	27.7

Table 4 : Multiple Comparisons in Dependent Variable of Bancassurance

Model 1	0 to 10% group (coded as “1”) is compared to more than 20% group (coded as “0”)
Model 2	11 to 20% group (coded as “1”) is compared to more than 20% group (coded as “0”)

In multinomial logistic regression, the independent variables used are depicted in the table 5 with their codes used to get impact on conversion by pre-selling talk by bancassurance. It clearly shows that explanatory variables

Logistic regression employs maximum likelihood procedure through iteration to find out the most likely estimates for the coefficients. Instead minimizing the sum of the square deviations (or least square differences in

Table 5 : Study Variables: Dependent and Independent (Explanatory) of Bancassurance

Variable	
<i>Dependent Variable (DV)</i>	
Conversion by Pre- selling talk	Ordered choice variable; “1” if respondent converted 0 to 10% in policy, “2” if respondent converted 11 to 20% in policy and “3” if respondent converted more than 20% in policy
<i>Explanatory Variables (IVs)</i>	
Security Option (SO)	Continuous variable (metric)
Policy Design (PD)	Continuous variable (metric)
Contract Execution (CE)	Continuous variable (metric)
General Aspect (GA)	Continuous variable (metric)
Contract Modification (CM)	Continuous variable (metric)
Age	Multinomial variable with the value of “1” for 20 to 35; “2” for 36 to 50 and “3” for more than 50
Gender	Dichotomous variable, “1” for male; “2” for female
No. of Years in the Life Insurance Business	Multinomial variable with the value of “1” for less than a year; “2” for 1 to 3 and “3” for more than 3 to 6; “4” for more than 6 to 10 and “5” for more than 10 years
Education	Multinomial variable with the value of “1” for SSC; “2” for HSC and “3” for Above HSC but less than Graduation; “4” for Graduation and “5” for Post Graduation
Marital Status	Dichotomous variable, “1” for married; “2” for unmarried
Type of Company	Dichotomous variable, “1” for Private; “2” for Government

ordinary least square method) in multiple regressions, logistic regression maximizes the likelihood that an event will occur. This likelihood value will be used for assessing the measure of overall model fit. Logistic regression measures the model estimation fit with the value of -2 times the log of the likelihood values, referred to as -2LL or -2 log likelihood.

The significance test for the final model chi - square (after the independent variables have been added) is a statistical evidence of the presence of a relationship between the dependent variable and the combination of the independent variables. Table 6 clearly summarizes the existence of a relationship between the independent variables and the dependent variable was supported. Furthermore, the probability of the model chi - square (48.854) is 0.002, less than required level of significance i.e. 5 per cent. This enables us to conclude that dependent variable is significantly explained by the given set of independent variables.

Table 6: Model Fitting Information: Likelihood Ratio Test

Model	-2 Log Likelihood	Chi - Square	Df	Sig.
Intercept Only	141.326			
Final	92.472	48.854	24	0.002*

*Significant at 0.05 levels

After assessing the model fit, it is required to check the strength of relationship between the IV – DV. It is found that Nagelkerke's R^2 value was 0.596 indicating moderately strong level of percent variance explained by the independent variable (refer table 7).

Table 7: Strength of the Relationship of Model

Pseudo R square measures	Measures	Value
	Nagelkerke's R^2	0.596
	Cox and Snell R^2	0.528
	McFadden R^2	0.346

After that, it is important to know which independent variables have the significant relationship with the dependent variable. This is found from the likelihood ratio test values as shown in table 8. From this table, it is found that independent variables such as factor 2: Policy Design ($\chi^2 = 7.077$, $p=0.029$), factor 5: General Aspects ($\chi^2 = 6.646$, $p=0.036$), Gender of bancassurance ($\chi^2 = 8.412$, $p=0.015$) and No. of years in business ($\chi^2 = 22.38$, $p=0.000$) are significantly related to the conversion by pre-selling talk. But Security Option, Contract Execution, Contract Modification, How long in the business, Marital

Status and Type of Company associated are found to be non-significant predictor of conversion by pre-selling talk. Thus, alternate hypothesis $H_{1(1.2)}$, $H_{1(1.5)}$, $H_{1(1.7)}$ and $H_{1(1.8)}$ were not rejected. While $H_{1(1.1)}$, $H_{1(1.3)}$, $H_{1(1.4)}$, $H_{1(1.6)}$, $H_{1(1.9)}$, $H_{1(1.10)}$ and $H_{1(1.11)}$ were rejected.

Table 8: Test of Significance for Relationship between Independent and Dependent Variable

Effect	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept	92.472 ^a			
Security Option	92.823	0.350	2	0.839
Policy Design	99.549	7.077	2	0.029*
Contract Execution	93.182	0.710	2	0.701
Contract Modification	94.337	1.864	2	0.394
General Aspect	99.119	6.646	2	0.036*
Age	95.597	3.124	2	0.210
Gender	100.884	8.412	2	0.015*
No. of Years in Business	114.860	22.387	4	0.000*
Education	93.563	1.091	2	0.580
Marital Status	95.079	2.607	2	0.272
Type of Company	93.019	0.546	2	0.761

Significant at * $p = 0.05$

After overall relationship between independent variable and dependent variable, the Wald test is used to evaluate whether or not the independent variable is statistically significant in differentiating between the two groups in each of the embedded logistic comparisons.

From the table 9 the estimated model for bancassurance is:

Predicted logit of (0 to 10 per cent conversion by pre-selling talk) = $-11.945 + (-0.239) * \text{security option} + (2.557) * \text{policy design} + (-0.748) * \text{contract execution} + (0.472) * \text{contract modification} + (1.119) * \text{general aspects} + (-0.787) * \text{age1} + (3.441) * \text{gender1} + (2.055) * \text{marital status1} + (23.637) * \text{No. of Years in Business 1} + (4.485) * \text{No. of Years in Business 2} + (-0.514) * \text{Education4} + (0.505) * \text{Type of Company1}$

After recoding all variables, this equivalent to:

Logit (0 to 10 per cent conversion by pre-selling talk) = $-11.945 + (-0.239) * \text{security option} + (2.557) * \text{policy design} + (-0.748) * \text{contract execution} +$

(0.472) * contract modification + (1.119) * general aspects + (-0.787) * age between 21 to 35 years + (3.441) * male + (2.055) * married + (23.637) * experience of less than a year + (4.485) * experience from 1 to 3 years + (-0.514) * Graduation + (0.505) * Private

likely to convert 0 to 10 per cent by pre-selling talk than female. Admittedly, No. of years in business1 and No. of years in the business2 are also found to be significant. While, No. of years in the business1 has the coefficient value of 23.637. This indicates probability of converting 0 to 10 per cent by pre-selling talk of less than one year

Table 9: Parameter Estimates: Model 1 for Bancassurance

Effect	B	Wald	df	Sig.	Exp(B)
Security Option	-0.239	0.052	1	0.820	0.788
Policy Design	2.557	5.607	1	0.018*	12.897
Contract Execution	-0.748	0.685	1	0.408	0.473
Contract Modification	0.472	0.302	1	0.583	1.603
General Aspect	1.119	1.978	1	0.160	3.063
Age 1	-0.787	0.508	1	0.476	0.455
Age 2 ^b	---	---	---	---	---
Gender 1	3.441	5.325	1	0.021*	31.231
Gender 2 ^b	---	---	---	---	---
Marital Status 1	2.055	2.328	1	0.127	7.810
Marital Status 2 ^b	---	---	---	---	---
No. of Years in Business 1	23.637	280.042	1	0.000*	1.843E10
No. of Years in Business 2	4.485	9.257	1	0.002*	88.716
No. of Years in Business 3 ^b	---	---	---	---	---
Education 4	-0.514	0.235	1	0.628	0.598
Education 5 ^b	---	---	---	---	---
Type of Company 1	0.505	0.198	1	0.657	1.657
Type of Company 2 ^b	---	---	---	---	---
Constant	-11.945	13.439	1	0.000	---

Note: ^breference category, *p<0.05

Considering 0 to 10 per cent conversion by pre-selling talk and more than 20 per cent conversions by pre-selling talk, results are depicted in the table 10. Variables Policy Design, Gender 1, No. of years in business1 and No. of years in business2 are found to be significantly related to the conversion by pre-selling talk. The coefficient of Policy Design is positive and also positive relationship is displayed from other measure i.e. value of exponential coefficient (12.897) which is greater than 1. This indicates that higher the value for policy design, predicted probability of more than 20 per cent conversion by pre-selling talk is likely to increase among bancassurance.

Moving ahead, Gender 1 is also found to be significant indicating bancassurance male 31.231 times are more

of bancassurance experience is more than bancassurance having more than 3 to 6 years of experience in the business. In addition to this, No. of years in the business2 is significant in estimating conversion by pre-selling with the coefficient value of 4.485. This indicate that bancassurance employees having more than 1 to 3 years of experience are 88.716 times more likely to convert 0 to 10 per cent by pre-selling talk compared to bancassurance employees having experience of more than 3 to 6 years.

But other variables i.e. security option, contract execution, contract modification, general aspects, Age1, Marital Status, Education and type of company are not significant in estimating the conversion by pre-selling talk of bancassurance.

From the table 10 the estimated model for bancassurance is:

Predicted logit of (0 to 10 per cent conversion by pre-selling talk) = $-7.099 + (0.226) * \text{security option} + (1.094) * \text{policy design} + (-0.453) * \text{contract execution} + (0.472) * \text{contract modification} + (-0.197) * \text{general aspects} + (0.693) * \text{age1} + (2.653) * \text{gender1} + (0.878) * \text{marital status1} + (22.301) * \text{No. of Years in Business 1} + (3.279) * \text{No. of Years in Business 2} + (0.360) * \text{Education4} + (0.719) * \text{Type of Company1}$

After recoding all variables, this equivalent to:

Logit (0 to 10 per cent conversion by pre-selling talk) = $-7.099 + (0.226) * \text{security option} + (1.094) * \text{policy design} + (-0.453) * \text{contract execution} + (0.472) * \text{contract modification} + (-0.197) * \text{general aspects} + (0.693) * \text{age between 21 to 35 years} + (2.653) * \text{male} + (0.878) * \text{married} + (22.301) * \text{experience of less than a year} + (3.279) * \text{experience from 1 to 3 years} + (0.360) * \text{Graduation} + (0.719) * \text{Private}$

In order to compare conversion of pre-selling talk of 11 to 20 per cent and more than 20 per cent results are depicted in table 10. Variables Gender 1 and No. of Years in Business 2 are found to be significantly related to conversion by pre-selling talk of bancassurance.

Where, Gender 1 is found to be significant with coefficient value of (2.653). This indicates that male bancassurance is 14.196 times more likely to prefer 11 to 20 per cent conversions by pre-selling talk than the female bancassurance. Considering variable no. of years in business, No. of years in business 2 is significant with coefficient value of 3.279 indicating that probability of converting 11 to 20 per cent for one to three years of experience bancassurance in business is more likely than more than three to six years bancassurance experience in business. While No. of years in business 1 is non-significant predictor of conversion by pre-selling talk.

Findings show that other variables i.e. Security Option, Policy Design, Contract Execution, Contract Modification, General Aspects, Age 1, Marital Status 1, Education 4 and Type of Company 1 are not significant

Table 10 : Parameter Estimates: Model 2 for Bancassurance

Effect	B	Wald	df	Sig.	Exp(B)
Security Option	0.226	0.060	1	0.806	1.253
Policy Design	1.094	1.546	1	0.214	2.986
Contract Execution	-0.453	0.353	1	0.552	0.636
Contract Modification	0.939	1.525	1	0.217	2.556
General Aspect	-0.197	0.068	1	0.794	0.821
Age 1	0.693	0.522	1	0.470	2.000
Age 2 ^b	---	---	---	---	---
Gender 1	2.653	3.745	1	0.053**	14.196
Gender 2 ^b	---	---	---	---	---
Marital Status 1	0.878	0.612	1	0.434	2.405
Marital Status 2 ^b	---	---	---	---	---
No. of Years in Business 1	22.301	-	1	-	4.842E9
No. of Years in Business 2	3.279	5.654	1	0.017*	26.562
No. of Years in Business 3 ^b	---	---	---	---	---
Education 4	0.360	0.161	1	0.689	1.433
Education 5 ^b	---	---	---	---	---
Type of Company 1	0.719	0.528	1	0.467	2.052
Type of Company 2 ^b	---	---	---	---	---
Constant	-7.099	7.980	1	0.005	---

Note: ^b reference category, * p<0.05, **p<0.1

in estimating the conversion by pre-selling talk of bancassurance.

The percentage of cases in each group defined by the dependent variable is found in the table 11. The proportional by chance accuracy rate was computed by calculating the proportion of cases for each group based on the number of cases in each category of dependent variable, and then squaring and summing the proportion of cases in each group ($0.323^2 + 0.400^2 + 0.277^2 = 0.341$). The proportional by chance accuracy criteria is 42.625% ($1.25 \times 34.1\% = 42.625\%$). The classification accuracy is found to be 69.2 per cent which is higher than proportional by chance accuracy criteria of 42.625 per cent. The criterion for classification is satisfied.

insurance buying involves the monetary commitment for present and future both. There are two classes of customers; one who buy insurance from saving and another who needs to save for fulfilling the premium commitment. The latter portion is larger and more concern about the cost benefit combinations. So if, during the pre-selling talk, the prospective customer is convinced about the cost and benefit, then the conversion ratio after pre selling talk will increase.

In bancassurance, the variable ‘Male’ is found to be significant with coefficient value of 3.441 and 2.653 subsequently. This indicates that male bancassurance employees are 31.23 times more likely to prefer 0 to 10 per cent conversions (compared to more than 20 per

Table 11: Classification: Accuracy Rate of the Model

Observed	Predicted			Percent Correct
	0 to 10	11 to 20	More than 20	
0 to 10	14	5	2	66.7%
11 to 20	6	17	3	65.4%
more than 20	1	3	14	77.8%
Overall Percentage	30.8%	38.5%	29.2%	69.2%

6. Discussion of Results

It has been found that the recruitment of the bancassurance employees is systematic. This fact is reflected from the strength of the model where Nagelkerke’s R^2 value is good for bancassurance (0.59). It was very low for agents because they are recruited with very liberal academic criteria. Revealing that, it is somewhat easy to obtain the predictors for bancassurance employees.

6.1 Relationship between Pre-selling Service Quality Factors, Demographics and Conversion after Pre-selling

The coefficient of factor ‘Policy Design’ is positive and positive relationship is displayed also from other measure i.e. value of exponential coefficient (12.897), which is greater than one. This indicates that higher the value for policy design (more focus on policy design in pre selling talk), predicted probability of more than 20 per cent (compared to 0 to 10 per cent) conversion after pre-selling talk is likely to increase among bancassurance. This is due to policy design, which includes two important variables; namely premium design and different security options. Both have a significant impact on monetary cost to customer about which he is worried the most. Life

cent), and subsequently 14.196 times more likely to prefer 11 to 20 per cent conversions (compared to more than 20 per cent) by pre-selling talk than the female bancassurance employee. It means that females perform better in bancassurance in terms of conversion after pre-selling talk. In the similar line about the agents in Indian context, Arulsuresh & Rajamohan (2010) says that the Gender of an agent is yet another relevant feature in the rural context that makes a difference especially for the female population. Women to whom the customers can relate—nurses, *gram sevikas* etc. can target the female segment of the population more effectively. Normally life insurance buying decision is taken by male members of the family, and female executives’ gets cross gender advantages in their sales pitch. Sales problems like resistance to listen by client and heavy cross arguments are observed less when females are pitching to the male.

In bancassurance, the variable ‘experience less than three years’ is significant with coefficient value 23.637 indicating that the probability of converting 0 to 10 per cent by pre-selling talk of less than one year experienced bancassurance employees is more than three to six years experienced bancassurance employees. For one to three years experienced bancassurance employees, it is

significant with coefficient value of 4.485 and 3.279 subsequently. This indicates that bancassurance employees with experience of one to three years are 88.716 times more likely to prefer 0 to 10 per cent conversions (compared to more than 20 per cent), and subsequently 26.562 times more likely to prefer 11 to 20 per cent conversions (compared to more than 20 per cent) by pre-selling talk than more than three to six years experienced bancassurance employee. This denotes that the higher experience leads to better performance of bancassurance employees in terms of conversion after pre selling talk. In the similar line about the agents, it is concluded that the experienced agents perform better in terms of generating the business (Radhakrishnan, Sivasubramanian, & Ramanan, 2010.)

7. Conclusion

Though the study proves that the proper explanation about insurance policy will increase the sales but practically in many cases the facts are intentionally suppressed by the middle man because it may contradict with some personal details of client like its earlier policies or taxation issue or expected returns etc. Such contradictions will reduce the probability of sale which is an ultimate aim of the middleman. Some time more explanation invites more questions from client side which may put the middleman in trouble. In India, when many policies are purchased for taxation purpose especially in pressure in the ending of financial year why the intermediary take pain for explanation when client is in hurry and business is sure. Unfortunately the terms of policy are printed in policy document which client receives after few days of purchase, and as the client has already purchased his focus is on preservation of document not reading and understanding of it. In such circumstances, IRDA should come forward with some guidelines where the explanation of all issues pertaining to policy is must for all the middlemen to their clients. The complexity in policy design, less frequency of purchase and unawareness about financial market make it a need of the day for Indian customers.

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Annexure-I

List of variables for measuring Pre-selling service quality: Tax advantages, Occupational pension schemes vs. private old age insurance, Taxation liability in future, Performance of insurance companies, Investment funds, Disadvantages of zillmering (Allocation Charges), Surplus and interest rate changes, Non commitment, Guaranteed performance, Surplus (Bonus) determinants, Past effective surplus, Termination options, Contract period, Procedures of contract modification, Costs of contract modification, Type and coverage of the insured risks, Individual security gaps, Insurance and product types, Advantages (Dis-) of different security options, Premium design, Price-performance tests, Cost components, Claim settlement, Conflict settlement. The variables are measured on five point importance scale labelled; Very Important, Important, Neither Important or Unimportant, Unimportant, Totally Unimportant.

Importance of Agriculture sector in Human Development: A study of Gujarat state

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Abstract

Economic growth is the most powerful instrument for reducing poverty and improving the quality of life in developing countries. The primary sector, including agriculture, holds an important position in Gujarat's economy. Agriculture continues to contribute 15% of Gujarat's GSDP and provides employment to almost 51.58% of our workforce, and naturally, GoG have been focusing particular attention to this sector. About 35% of the land area in Gujarat falls in arid and semi arid zone or along salinity affected areas. The fact that more than half of the workforce (NSS data) is engaged in the primary sector and that they get only 15.52 per cent share of the state in-come indicates a low level of productivity and incomes of the people engaged in the primary sector. Near stagnancy in agriculture has reduced the share of this sector, but the proportion of population dependent on agriculture has not declined. Lower achievements in human development in general and in rural areas in particular are linked to this phenomenon. This research paper analyzes the relationship between agriculture grown and human development in Gujarat.

Keywords: Agriculture, Human Development, Economic Development

Introduction:

The concept of the Human Development was adopted for the first time by UNDP (United Nations Development Program) in 1990. Since then, countries all over the World have significantly improved their Human Development status. During the Tenth, Eleventh and Twelfth Five Year Plans, the State Government has adopted the approach of Inclusive Growth to let the benefits of development reach the disadvantaged and the deprived sections of the society. In the beginning of planning era, most of the countries were giving importance to Economical Growth considering Domestic Production and Per Capita Income for the criterion of development. But during the last decade of the Twentieth Century, between Economic Development (GDP) and Human Welfare existence of missing link was realized. Agriculture is the main source of livelihood for majority rural households. Some 3/4th of poor people still live in rural areas and derive the major part of their income from the agricultural sector and related activities. Agriculture provides food, income, and jobs, and hence can be an engine of growth in agriculture-based developing countries and an effective tool to reduce poverty in trans forming countries. Balancing agriculture and industry is an important-although difficult dimension of development policy.

Concept of Human Development:

Human development is a concept within a field of international development. It involves studies of the human

condition with its core being the capability approach. The inequality adjusted Human Development Index is used as a way of measuring actual progress in human development by the United Nations. It is an alternative approach to a single focus on economic growth, and focused more on social justice, as a way of understanding progress.

The United Nations Development Programme has been defined Human Development as "the process of enlarging people's choices", said choices being allowing them to "lead a long and healthy life, to be educated, to enjoy a decent standard of living", as well as "political freedom, other guaranteed human rights and various ingredients of self-respect"

Some of the issues and themes currently considered most central to human development include:

- Social progress - greater access to knowledge, better nutrition and health services.
- Efficiency - in terms of resources use and their availability. Human Development is pro-growth and productivity as long as such growth directly benefits the poor and other marginalized groups.
- Equity - in terms of economic growth and other HD parameters.
- Participation and Freedom- particularly empowerment, democratic governance, gender equality, civil and political rights, and cultural liberty.

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- Sustainability- for future generations in ecological, economic and social terms.
- Human Security- security in daily life against such chronic threats as hunger and abrupt disruptions including joblessness, famine, conflict, etc.

Role of Agriculture in economy of Gujarat

Agriculture is a major source of income for majority of the people living in Gujarat. Agriculture and allied sector plays an important role in the State economy. Though its contribution in NSDP has gradually declined from around 50 per cent during 1970s to around 21.6 per cent in 2010-11, agriculture still considered as a backbone of state economy. More than half of the working population in the state is still dependent on agricultural activities for their livelihood. Thus, a higher priority to agriculture will achieve the goals of reducing poverty and malnutrition as well as of inclusive growth and human development. Since agriculture forms the resource base for a number of agro-based industries and agro-services, it would be more meaningful to view agriculture not as farming alone but as a holistic value chain, which includes farming, wholesaling, warehousing, processing, and retailing. Agriculture which forms the source of livelihood of the majority in the State is largely dependent on rainfall. Following table and graph shows the contribution of agriculture in Net State Domestic Product at constant price.

Table-1 : Contribution of Agriculture sector in Gross State Domestic Product of Gujarat at constant prices of 2011-12

Year	Total GSDP	GSDP from	% Share of Agriculture in GSDP
2011-12	605456	93481	15.44
2012-13	671074	77415	11.54
2013-14	726831	101764	14.00
2014-15(Q)	782820	99591	12.72

Source: Socio-Economic Review, Gujarat State, 2015-16; Q= Quick Estimates

The growth of agriculture and allied sectors is still a critical factor in the overall performance of the state economy. During the period 2011-12 to 2014-15(Q), the GSDP for agriculture sector including animal husbandry sector had increased from Rs. 93481 crore to Rs. 99591 crore at constant (2011-12) prices. In 2014-15(Q), it accounted for 16.6 percent of the SDP compared to 20.4 percent in 2013-14 (table-1).

Agriculture growth in Gujarat:

Despite the achievements attained towards poverty reduction, the challenges linked to high infant and maternal mortality rates, the HIV/AIDS prevalence and continued decline in the state of environment and natural resources could undermine agricultural performance, social transformation and ultimately human development. The agricultural growth rate in Gujarat raised from 3.3 per cent in the 1990s to 11.1 per cent during the decade 2001- 2002 to 2011-2012. In fact, the production of cotton, wheat, fruit crops and milk have played a vital role in sustaining the agricultural growth in the State economy. Following table shows the growth of agriculture rate in agriculture in Gujarat during the period of last 10 years.

Table -2 : Agriculture growth rate in Gujarat

Year	Growth rate (%)	Year	Growth
2001-02	30.64	2008-09	-7.17
2002-03	-6.83	2009-10	-0.74
2003-04	39.89	2010-11	21.64
2004-05	-6.76	2011-12	5.48
2005-06	23.1	2012-13	-8.96
2006-07	-0.73	2013-14	28.3
2007-08	8.73	2014-15	-2.13

Source: Data book 2015, Planning Commission of India

The growth performance of the agriculture in Gujarat has been fluctuating across the ten years periods (Table 2). The agricultural growth rate in Gujarat was -6.76% in the year 2005-06. Further, during the years 2006-07, 2010-11 and 2013-14 agriculture growth is more than 20%. In fact, the production of cotton, wheat, fruit crops and milk have played a vital role in sustaining the agricultural growth in the State economy.

Review of Literature

Human development can generally be defined as the expansion of the capabilities of individuals.

United Nations Development Programme (1995) defines it as the process of enlarging the choices of all the people and not just one part of the society. Human development informs policy choices in many areas such as poverty reduction, sustainable development, gender inequalities and good governance. Human development requires the

implementation of people- centered policies .The main purpose of human development in this context, is to improve human lives so that the individuals will be knowledgeable, healthy and well nourished as well as be able to participate in the community's life. Restoring family dignity and empowering individuals are also characteristics of human development.

Mujuru (2014) found in his study titled “Entrepreneurial Agriculture for Human Development: A Case Study of Dotito Irrigation Scheme” that agriculture has the potential to increase the country's Gross Domestic Product which will also promote human development in the country. However; this potential has to be transformed into real action by equipping farmers with strategic entrepreneurship skill which will enable them to deal with the environmental changes. The government should equip the local people with strategic skills in their farming business so that their productivity can increase. He also concluded that entrepreneurial farming is an instrument for improving the quality of life for families and communities and for sustaining a fit economy and environment, fostering entrepreneurship skills must be considered as an urgently needed development policy in the country. This however should be supported by the provision of adequate inputs to the farmers as well as improving infrastructure.

The Human Development report (2007) seeks to analyze some of the salient features of agriculture and rural development in the India, and concludes that one of the root causes of rural poverty is women's lack of control over productive resources. The importance of land as a fundamental asset for agricultural and rural development is equally highlighted in the report. The Report emphasizes the need for supporting favorable agricultural conditions, namely inputs, infrastructure, research and extension services as well as affordable credit for smallholder and medium scale farmers. It is argued that this will have a positive impact on the quality of life of the majority population who reside in the rural areas.

Objectives of the study

1. To review the performance of agriculture sector in Gujarat
2. To identify the impact of agriculture sector in boosting the Human Development in Gujarat

Research Methodology

Descriptive research design is used to carry out this study as statistical data is for the analysis. The data collected is

mainly secondary in nature. The secondary data is collected from the various sources which include annual reports of banks, websites, research papers, articles and books. The data has been analyzed by using correlation with the help of SPSS.

Formulation of Hypothesis

H_0 : There is a significant relationship between agriculture growth and Life expectancy at birth

H_0 : There is a significant relationship between agriculture growth and literacy rate

H_0 : There is significant relationship between agriculture growth and per capita income

Human Development in India with special reference to Gujarat

As per the Human Development Index value shown in the report of the global Human Development Report - 2014 (HDR) published by UNDP, total 187 countries have been given ranking; accordingly India is at the Rank of 135. As per the Human Development Report published by UNDP in 2013, the Index value of Human Development of India was 0.554, which was increase to 0.586 as per the Human Development Report of the year- 2014. It shows an increase of 5.78%. In this reference, social sector of the State like Health, Education, Women and Child Development, Sanitation etc. are key sectors for Human Development. Human Development Index is a consolidated index of three indicators, consists of

- (1) Life Expectancy at Birth
- (2) Literacy Rate
- (3) Per Capita Income, equal weight-age has been given to all the three indicators.

Table 3 : Human Development Index of Gujarat

Year	HDI
1999-00	0.466
2007-08	0.527
2011-12	0.514
2014-15	0.616

Source: Data file 2015, NITI Ayog

As per the Human Development Index value of all the States shown in “India Human Development Report- 2011” Published by Planning Commission of the Government of India, Gujarat State has been ranked 11. The Human Development index figure of Gujarat was

0.466 during the year 1999-2000, which was increased to 0.527 during the year 2007-08. It shows the growth of 13 percent during the period.

(1) Life Expectancy Rate at Birth in Gujarat: Life expectancy is a statistical measure of the average time an organism is expected to live, based on the year of their birth, their current age and other demographic factors including sex. Following table shows the life expectancy rate at birth in Gujarat during previous years.

Table 4 : Life expectancy at birth

Year	Life Expectancy at Birth (Overall)
2001-2005	63.9
2002-2002	64.5
2006-2010	69.1
2010-2014	68.7
2011-2015	70.8

Source: Report of the Technical Group on Population Projections, -2001-2026 : M/O Health & Family Welfare

The life expectancy at birth was 63.9 in 2001 for the year 2001-05 and in 2011 it increases to 70.5 showing average growth of 2.31% during the that period. The relationship between the agriculture growth and Life expectancy of birth can be examined with the help of correlation test.

H_0 : There is a significant relationship between agriculture growth and life expectancy at birth.

H_1 : There is a significant relationship between agriculture growth and life expectancy at birth.

Table 5 : Correlation

		Agriculture	Literacy
Agriculture	Pearson Correlation	1	-0.221
	Sig. (2-tailed)		0.721
	N	5	5
Literacy	Pearson Correlation	-0.221	1
	Sig. (2-tailed)	0.721	
	N	5	5

** Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation between life expectancy at birth and agriculture growth is -.221 which shows that there is a significant relationship between agriculture growth and life expectancy.

(2) Literacy ratio (At 7+ age): Literacy rate is the total percentage of the population of an area at a particular time aged seven years or above who can read and write with understanding. Here the denominator is the population aged seven years or more.

Table 6 : Literacy Rate of Gujarat

Year	Male	Female	Overall
2001	79.66	57.8	69.14
2011	85.75	69.68	78.03

Literacy rate in Gujarat has seen upward trend and is 78.03 percent as per 2011 population census. Of that, male literacy stands at 85.75 percent while female literacy is at 69.68 percent. In 2001, literacy rate in Gujarat stood at 69.14 percent of which male and female were 79.66 percent and 57.80 percent literate respectively. In actual numbers, total literates in Gujarat stands at 41,093,358 of which males were 23,474,873 and females were 17,618,485. The relationship between agriculture growth and literacy ratio can be examined by the help of correlation test.

H_0 : There is a significant relationship between agriculture growth and literacy rate

H_1 : There is no significant relationship between agriculture growth and literacy rate

Table 7 : Correlation

		Agriculture growth	Life Expectancy
Life	Pearson Correlation	1	-1.000**
	Sig. (2-tailed)		.
	N	2	2
Agri	Pearson Correlation	-1.000**	1
	Sig. (2-tailed)	.	
	N	2	2

** Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation between life expectancy at birth and agriculture growth is -1.000 which shows that there is a significant relationship between Agriculture growth and Life expectancy rate in Gujarat.

(3) Per Capita NSDP: Per capita NSDP refers to the State-wise Per Capita Net State Domestic Product at Current Prices. It provides details of percentage growth of Per Capita Net State Domestic Product over the previous year.

Table 8 : Per capita NSDP of Gujarat at current prices

Year	Per Capita Income (at current price) (Rs.)	Growth Rate in Per Capita income (%)
2005-06	37780	17.99
2006-07	43395	14.86
2007-08	50016	15.26
2008-09	55068	10.10
2009-10	64097	16.40
2010-11	77485	20.89
2011-12	85114	9.85
2012-13	100821	18.45
2013-14	113061	12.14
2014-15	124358	9.99

Source: Gujarat Socio Economic Review, various issues.

The per capita income of Gujarat was Rs. 37,780 in 2005-06 which increases every year. The average growth of per capita income in Gujarat during the year 2005-06 to 2014-15 was around 15%. The Per Capita Income at current prices has been estimated at Rs. 124358 in 2014-15 as against Rs. 113061 in 2013-14, showing an increase of 10.0 percent during the year (Table 5). The relationship between per agriculture growth and per capita income of the state can be examined using correlation test as under.

H_0 : There is significant relationship between agriculture growth and per capita income

H_1 : There is no significant relationship between agriculture growth and per capita income

Table 9 : Correlation

		Agriculture growth	Per capita income
Agri	Pearson Correlation	1	0.278
	Sig. (2-tailed)		0.437
	N	10	10
per	Pearson Correlation	0.278	1
	Sig. (2-tailed)	0.437	
	N	10	10

The Pearson correlation between life expectancy at birth and agriculture growth is -.278 which shows that there is a significant relationship between Agriculture growth and Per capita income.

Conclusion

The growth of agriculture and allied sectors is still a critical factor in the overall performance of the state economy and human development. High agricultural production and productivity achieved in some crops has helped in attaining growth. The food safety net for each and every citizen in a growing population requires enhanced agricultural production and productivity in the form of a Second Green Revolution. The relatively weak supply responses to price hikes in agricultural commodities, especially food articles, in the recent past brings back into focus the central question of efficient supply chain management and need for sustained levels of growth in agriculture and allied sectors. The choice before the nation is clear to invest more in agriculture and allied sectors with the right strategies, policies, and interventions. This is also a 'necessary' condition for 'inclusive growth' and for ensuring that the benefits of growth reach a larger number of people. The study shows that there is a positive relationship between agriculture growth and per capita income of Gujarat which gives opportunity to boost agriculture growth which helps to increase the per capita NSDP of the state.

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Green Banking Practices and its relationship with Service Quality, Customer Satisfaction and Customer Loyalty

Anam Natalwala S.* and Hitesh Parmar**

Abstract

Green banking as a term covers several different areas but in general differs to how environmentally friendly your bank is and how committed to green and ethical policy they have. Though there are some initiatives taken by the banks, customers are not well aware about the green banking practices. Green banking will play a vital role in the economy leading to reduce the cost and thereby increasing the profit. This paper had been made to study awareness among the customer in relationship with the green banking practices and how those practices can give an edge regarding service quality, customer satisfaction and customer loyalty. With the help of this study it can be identify how well the customers are about green banking.

Key words: Green Banking, Environment, Service Quality, Customer Satisfaction, Customer Loyalty

Introduction:

The financial organization plays a major role in the economic growth and the development of the country taking into consideration both Quantity and Quality, which leads to adoption of strategies for economic growth. There is pressure placed not only to the industries but also Practices. Banking sector is a great importance in promoting environmentally sustainable development and socially responsible investments as it increases the value and lowers the loss, the higher quality services results in higher profits. One of the responsibilities of the banking sector is to encourage environmentally responsible investments. Green banking promotes environmental friendly practices. Sustainable development can be attained by allowing the market to work within the framework which is cost efficient. Green banking as a term covers several different areas but in general differs to how environmentally friendly your bank is and how committed to green and ethical policy they have. People tend to confuse green banking with online banking. The reasons for going green banking are as follows: increasing energy consumption and energy prices, growing consumer interest in environmentally-friendly goods and services, higher expectations by the public on Bank's environmental responsibilities and emerging stricter regulatory and compliance requirements. It focuses on online banking instead of branch banking. Online bill payments, availing green checking, green loans, green mortgages, green CDs. It helps banking process to be efficient and more effective, having minimum effect on environment.

Green banking will allow the banks to reduce their cost by fuel saving in which employees have to do group travelling. Thus green banks will charge lower fees and lower rates on loan will be charged. This is banking beyond profit for customers, banks, industries and the economy. It is essential to know how the green banking practices implemented effects the customers by the service quality provided by the banks and thus states satisfaction or dissatisfaction customers are in relation with reliability, tangibility, responsiveness, empathy and assurance. On the basis of satisfaction and dissatisfaction the bank can conclude their customer loyalty towards the bank. With the change in the consumer expectation, strict environmental regulation and the compliance requirements even banks cannot escape the change.

Literature Review

John and Linda (1976), investigated the relationship between expectations, performance and satisfaction. The findings concluded that when a customer judges the performance of a product, they usually do by comparing actual performance of the product with the expectations that the customer had. If the performance of the product is greater than expectation, customer is said to be satisfied but if the performance of the product is lesser than expectation then customer is said to be dissatisfied.

Matzler, Hinterhuber, Bailom & Sauerwien, (1996). Customer satisfaction is an important indicator of the business future. Only satisfied customers are loyal and they ensure flow of the cash in the business. It also states

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that satisfied customers belongs to the category of less price sensitive as they have already have tried and tested before. Satisfied customers show the stability of the business.

Joseph et al (1999) investigate role of technology on Australian banking sector and 300 customers were surveyed. The findings concluded that except from accuracy and efficiency in e-banking services do not match with the importance rating specified by the customers.

Hom (2000), satisfaction refers to a feeling or a short term attitude that can change owing to various circumstances. Satisfaction exists only in the users mind and therefore it can't be observed unlike product choice, repurchase of the product or complaint.

Sahoo and Nayak, Bibhu Prasad (2008), in their research article on "Green Banking in India" highlighted that banking sector plays a very vital role as being a major stakeholder in the industrial sector. There are two risks which they are exposed to (a) credit risk and (b) liability risk. Further, the environmental impact might affect the quality of assets and rate of return and therefore, banks should go green making industries to focus on environmental management.

Mr. Biswas (2011), banking sector takes into consideration quality and quantity for economic growth and development. Banking sectors can play a very important role in promoting environmentally sustainable and socially responsible investment as it is major source of financing to commercial projects.

Dharwal, et al (2011), in a research article on "Green Banking: An Innovative initiative for Sustainable Development" concluded by stating Indian banks should be made aware about environmental and social guidelines on which worldwide banks agrees to. If Indian banks want to enter into global market they should recognize environmental and social guidelines.

Jain et al (2012): Customer perception on service quality in banking sector: with Special reference to Indian Private Banks in Moradabad Region. With the help of this they were able to understand the perception of service quality in the banking sector and also what attracts the customers most. With the increase in the competition among the private banks, it can help banks in taking strategic decisions. The study focuses on private banks like ICICI,

HDFC, KOTAK & INDUSIND Banks. The study used SERVQUAL Model and responses were collected based on five dimensions namely assurance, tangibility, reliability, responsiveness and empathy.

"Demographic Inequalities in using E – Banking Services: A study of Chandigarh" Rajiv Khosla and Parul Munjal, (2013). The study of the paper concluded that there is a good scope for the banks to spread their value added services, specifically in rural areas. Offering innovative and different services from their competitors only those banks will be successful and will earn more profits.

Jha & Bhome (2013) found the ways to Go Green through "Green Banking". This research was conducted on the basis of primary data and secondary data. Primary data was collected through telephonic interactions and personal interviews. The study focuses on the Green Banking. The structured questionnaires and interviews were conducted with the employees of the established banks and public. Percentage technique was used for the analysis. The study concluded that "Green Banking" will be beneficial to the banks, industries, and economy.

Sharma et al. (2014) attempt to study the level of consumer awareness of Green Banking initiative in India with special reference to Mumbai. From the primary survey which was conducted stated that three fourth of the consumers are not aware about the term green banking even though they use it. For those who are aware about green banking only considers online bill payment and cash deposit system, other aspects of green banking such as Green CDs, solar powered ATM, bonds for environment protection are among few of which consumers are not aware of. For analysis using Chi – Square test for hypothesis it was found male and female both have the same level of consumer awareness for green banking.

Jaggi (2014) studies the initiative by SBI and ICICI on Green Banking. SBI took the initiative by starting the use of Green Channel Counter, no queue banking, enhanced commitment towards achieving carbon neutrality, online money transfer, wind farms. On the other hand, ICICI introduced Green Products and Services which includes instabanking (anytime, anywhere), vehicle finance and home finance. Moreover these banks have taken other steps for energy conservation like duplexing (two side printing), recycling, CFLs, carpool etc.

Research Methodology :

Objectives of the study:

1. To study the awareness among the customers on green banking.
2. To study green banking practices of banks.
3. To find out the relationship between green banking practices and service quality, customer satisfaction and customer loyalty.

Variables for the study:

On the basis of the above objectives, literature review following are variables for the study: reliability, assurance, tangibility, empathy, responsiveness, mobile banking, green checking, green credit and debit cards, customer satisfaction, customer loyalty, customer awareness.

Research Hypothesis:

Hypothesis 1: Green banking practices are positively related with service quality.

Hypothesis 2: Service quality is positively related with customer satisfaction.

Hypothesis 3: Customer satisfaction is positively related with customer loyalty.

Hypothesis 4: Service quality 1 is positively related with Dimension1.

Hypothesis 5: Service quality 2 is positively related with Dimension2.

Research Design: The research design used in the study is Descriptive research design.

Sample Design:

- (a) Sample size: 100 respondents from India and 30 respondents from South Africa.
- (b) Sampling method: This study uses non-probability, Convenience Sampling method.

Data collection method: The structured, non-disguised questionnaire was used to collect primary data from the customers.

The secondary data are collected from RBI reports, internet, and research reports.

Scope of the study:

The study identifies different types of green banking practices which will indirectly lead to customer loyalty. The reason for choosing this topic is to analyze green banking practices impact on the service quality, customer satisfaction and customer loyalty towards different banks in India and South Africa.

Data Analysis

Demographic Profile: The table above shows the demographic profile of the respondents. 50.77 percent of the respondents are male and remaining 49.23 percent of the respondents are female. 45.38 percent of the respondents represent less than 25 years of category, 19.23 percent of the respondents are having 26 to 35 years of age group, 13.08 percent of the respondents are from 36 to 45 years of age and remaining 22.31 percent of the respondents are from greater than 45 years of age. 50.77 percent of the respondents are having income from Rs. 1 lakh to 3 lakh, 30.77 percent of the

Particulars	Category	Frequency	Percentage
Gender	Male	66	50.77%
	Female	64	49.23%
Age	< 25 years	59	45.38%
	26 to 35 years	25	19.23%
	36 to 45 years	17	13.08%
	>45 years	29	22.31%
Income	Upto Rs 1,00,000	24	18.46%
	Rs 1,00,001 to Rs 3,00,000	66	50.77%
	More than 3,00,000	40	30.77%
Occupation	Salaried	57	43.85%
	Business	25	19.23%
	Professional	18	13.85%
	Others	30	23.08%
Country	India	100	76.92%
	South Africa	30	23.08%

respondents are having income more than 3 lakh and 18.46 percent of the respondents are having annual income upto Rs.1 lakh. 43.85 percent of the respondents are salaried, 19.23 percent of the respondents are Businessmen and 13.85 percent of the respondents are professional. 76.92 percent of the sample representing India and 23.08 percent of the respondents represent South Africa.

Major Findings:

88 of the respondents are aware about the green banking and green products through online/ internet, 33 of the respondents are aware about green banking through pamphlets. 50 of the respondents are aware about the green banking through TV Programs. 102 of the respondents are aware about “Reduced wastage of papers and Energy through Net banking approach.” 101 of the respondents are aware about “Online Bill Payment.” Only 17 of the respondents out of total of 130 are aware about “Green CDs.”

Green Banking Practices: The statements related to green banking practices are reduced by applying exploratory factor analysis. The KMO value of 0.837 suggests that there is adequate number of factors that can be extracted and again The significant value of Bartlett’s Test of Sphericity is 0.000 which is < 0.001 so, the sample inter correlation matrix did not come from a population in which the inter correlation matrix is an identity matrix. The idea of rotation is to reduce the number factors on which the variables under investigation have high loadings. Rotation does not actually change anything but makes the interpretation of the analysis easier. E-statements, online communication, paper usage, efficient use, electronic are substantially loaded on factor (component) 1; whereas, video/audio, stationeries, use of daylight, CNG and saving bulbs are substantially loaded on factor (component) 2. Hence Green banking

Practices are reduced to two factors which explains 62.27 percent of the total variance.

Service Quality: The statements related to Service Quality are reduced by applying exploratory factor analysis. The KMO value of 0.937 suggests that there is adequate number of factors that can be extracted and again The significant value of Bartlett’s Test of Sphericity is 0.000 which is < 0.001 so, the sample inter correlation matrix did not come from a population in which the inter correlation matrix is an identity matrix. The idea of rotation is to reduce the number factors on which the variables under investigation have high loadings. Rotation does not actually change anything but makes the interpretation of the analysis easier. Polite, neat appearance, precise information, customer relationship, timely transaction, experienced are substantially loaded on factor (component) 1; whereas, resolve problems, willing to solve, site availability, computerized system, interior, personal information, promises to work, error free service are substantially loaded on factor (component) 2. Hence Service Quality are reduced to two factors which explains 71.85 percent of the total variance.

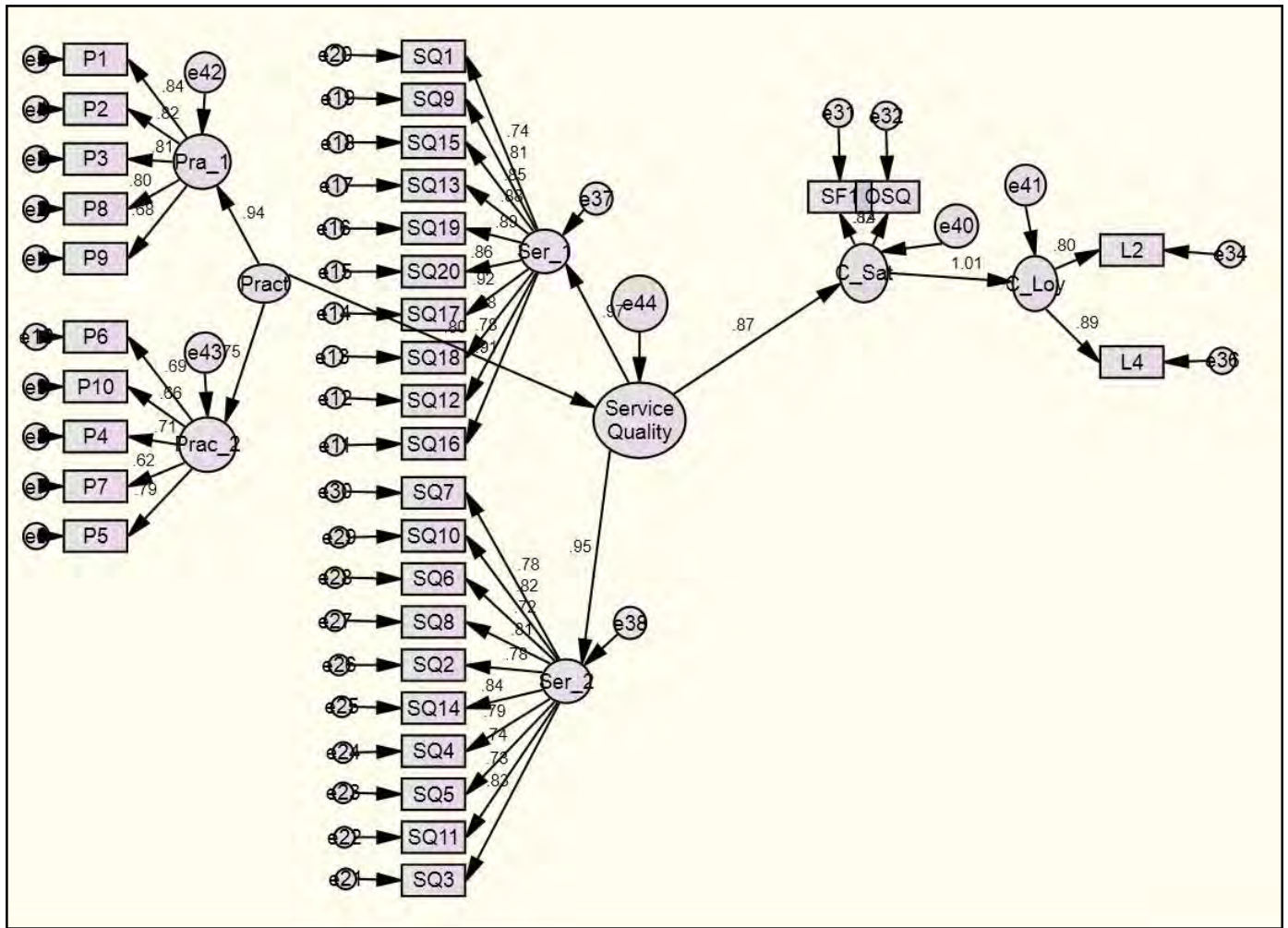
Model: Structural Equation Model.

The model below describes the relationship between Green banking Practices, Service Quality with customer satisfaction and loyalty.

The following Research Hypothesis were tested by using Structural Equation Modeling approach.

From the above table, it can be concluded that all significant two tailed values are 0.000, hence H_0 can be rejected at 1 level of significance. So it can be concluded that Green banking Practices are positively related with Service Quality. Further Service quality is positively related with Customer satisfaction and Customer satisfaction is positively related with loyalty of customer.

Sr. No	Research Hypothesis	Estimate	SE	CR	P Value	Decision
1	Green baking practices are positively related with service quality.	1.332	0.240	5.544	0.000	<u>Reject Ho</u>
2	Service quality is positively related with customer satisfaction.	0.396	0.056	7.025	0.000	<u>Reject Ho</u>
3	Customer satisfaction is positively related with customer loyalty.	1.108	0.115	9.660	0.000	<u>Reject Ho</u>
4	Service quality1 is positively related with Dimension1.	0.622	0.075	8.244	0.000	<u>Reject Ho</u>
5	Service quality2 is positively related with Dimension2.	0.613	0.080	7.674	0.000	<u>Reject Ho</u>



Model Fit Summary: The table below shows the **Model Fit**. The overall fit of the model is assessed based on two criteria. Absolute fit measures and Relative fit measures. The standard values are recommended by hair,et.al (2009). Based on these criteria, the hypothesized model fits in all criteria. Hence it can be further concluded that the data fits the model well.

Absolute Fit Measures		
Test	Recommended Value	Model Under Study
χ^2	$p > 0.05$	$p = 0.000$
CMIN/DF	< 5	3.24
RMSEA	< 0.10	0.072

Relative Fit Measures		
Test	Recommended Value	Model Under Study
CFI	> 0.90	0.912
NFI	> 0.90	0.908
RFI	> 0.90	0.911
IFI	> 0.90	0.902

Conclusion

Green banking in India is still considered as the major issue though it is an important element for the development of the India. From the findings we can conclude that though there are practices and initiatives which is been taken by the bank, customers are not well aware about it. Even though the customers are availing green banking services they are not aware about the terminology. Banks should take green banking practices to high level by creating awareness and conducting workshops.

From the study which was conducted we can say that, respondents from India are not well educated about the initiatives which the banks are taking. In some aspect male respondents are comparatively more aware of the initiatives then female respondents, in some other aspect male and female respondents both are equally aware about the green banking initiatives. Following are few initiatives about which Indian respondents are not aware about:

- Green loans.
- Green mortgages.
- Green CDs.
- Use of Solar powered ATMs.
- Use of efficient energy branches and loans.

From the responses collected from South Africa, it can be stated that male and female respondents are equally aware about the green banking initiatives which have been taken in their banks. Following are few initiatives about which respondents of South Africa are not aware about:

- Green CDs.
- Facility of E-statements registration.
- Solar powered ATMs.
- Clean Development Mechanisms.
- Bonds and Mutual funds meant for environmental investments.

From the Structural Equation Model we can conclude that there is a positive relationship between green banking practices and its relationship between service quality, customer satisfaction and customer loyalty.

It can be stated that it is mandatory for not only banks in India but worldwide to create awareness and educate the customers about the green banking which will lead to emission reduction, protection of environment, reduced carbon transportations which will be indirectly profitable for the banks.

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Need of Corporate Governance for Effective Business Management

Esha Somadder*

Abstract

Business Management and Business/Corporate Governance though have been invariably different terms, but, in the long run for sustainability of the Business, Corporate Governance plays an essential role. Although Business Management is concerned with the growth of Business by the Management; the need for corporate governance arises due to the separation of Management from Ownership. Therefore, to avoid conflict of interests and safeguard the interests of all the Stake-holders; Corporate Governance is inevitably and holistically essential for the prosperity of the business in the longer run, both in terms of growth and sustainability. Thus going a way forward by this perspective, the first part of this paper deals with the need and importance of Corporate Governance for ensuring effective Business Management. Further, the second part deals with problems faced by the Indian Banking Sector due to lack of effective Corporate Governance; NPAs being one of the major issues, and, its impact on the economy as a whole. Lastly, the paper suggests some probable remedies for the problems faced by the Indian Banking Sector by way of Corporate Governance.

Introduction

Research Methodology:

The study is based on Non-Empirical Research techniques. Case Studies, Historical Data and recent published reports of the Media are its Main Source. The Study has undergone historical research, examined the past facts and analysed the same. Further, Summative Evaluation Research technique has been used to integrate research from multiple reports.

Review of Literature:

The Literature Review was conducted to identify the Data Sources. Mostly Secondary Sources of data have been extracted. The Primary Source of Data have been used to review the existing Rule, Law and Source of original Information. This helped in further analysis and summarization of the facts and helped to address the questions and needs of the Study and Research and make predictions based on the same.

Part I: Corporate Governance (In General)

1) Meaning and Definition of the term Corporate Governance and its relation to effective Business Management.

The term Corporate is a broader term which includes in itself not only the Companies, but, every type of Organisation which has a separate Legal or Statutory existence, distinct from its Owners, globally. Further, it should have limited liability. In Indian Context it is limited to Companies (Limited by Shares and Guarantee) and

Limited Liability Partnerships and Non Profit Organisations.

According to the definition by ICSI-

"Corporate Governance is the application of the best Management Practices, Compliance of Laws in true letter and spirit and adherence to ethical standards for effective business management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders."

According to the Cadbury Report, U.K.,

"It is a system by which Companies are directed and controlled."

Management of a Business refers to the techniques executives use to make the Business flourish and the actions taken thereby, and, once the Business grows and gets bigger, then, the need of some Governance arise. Thus, in order to protect a corporate entity, control the decision taken by the Management for the betterment of all the stake-holders involved, also, to avoid conflict of interests and fraudulent practices, surely, Corporate Governance should come into picture. Need of Corporate Governance arises due to separation of Management from Ownership. Corporate Governance is a system by which Businesses are directed and controlled. It provides the structure through which the objectives are set and the means of attaining those objectives and monitoring performance by way of Management, i.e. the Management has the responsibility to implement the Corporate Governance. From the

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perspective of Risk, there's no greater risk than poor Corporate Governance, as in the absence of effective Governance the Corporates/Businesses may suffer Financial, Legal as well as Reputational harm.

2) Background

a) History and Evolution of Corporate Governance (Indian Context):

The term Corporate Governance was coined in the Corporate Sector, in the late 1990's by the Industry Association On Confederation of Indian Institute, first Indian initiative which outlined a series of voluntarily recommendations to integrate best practices of Corporate Governance including - Fairness, Transparency, Accountability and Responsibility in managing the affairs of the Company. The Second initiative was taken by SEBI in its Clause 49 of the Listing Agreement. The third initiative was taken by Naresh Chandra Committee who viewed it from over stakeholders' perspective. Since 1998, several Committees appointed by the Ministry of Corporate Affairs (MCA) and the SEBI have issued guidelines both mandated as well as voluntary. The year 2009 guideline - Mandatory Corporate Governance Voluntary Guidelines was a real change - in that the Companies listed on the Stock Exchange have to comply by the Clause 49 of the Listing Agreement including Mandatory codes to be followed by the Management of the Company. The recent most is seen in the new provisions of Indian Companies Act, 2013, for effective Business Management in form of - Independent Directors, Women Directors on the Board, Corporate Social Responsibility and mandatory compliance of Secretarial Standards issued by Institute of Company Secretaries of India as per Section 118 of Companies Act, 2013.

b) Scandals which occurred all over the world -

The Satyam Scam - the Indian based Firm Satyam Computer Services Limited, owned by the Chairman Ramalinga Raju manipulated with the accounts by US Dollar 1.47 Billion. According to the Crime Investigation Department reveals in the year 2009 - there were only 40,000 employees, but, 53,000 employees were shown in their statements and Mr. Raju was allegedly withdrawing Rs. 200 Million every month, showing payment for those 13,000 non-existent employees. The Auditor Price Water House was aware of this fact, but, it didn't report the same to the Authority. Though being

Independent Auditor PwC (a U.S. based Company) did such scam, it was then fined by Securities and Exchange Commission of the U.S., for not following the code of conduct and auditing standards in performance of its duties related to Auditing of Accounts of Satyam Computer Services. Recently, in the year 2018, SEBI barred PwC from auditing any listed Company in India for next two years. Similar Case was the Enron Case, way back in the year 2001, where manipulations were made in the Accounts by the Internal Staff as directed by Enron. Same goes for the WorldCom's scandal which classified some expenses in the irrelevant categories, made unauthorized use of the Reserves, etc. In these cases a proper external Audit should have been made by a reliable and Authorized Person as directed by the Company's Management.

c) Standards in Corporate Governance (Good Corporate Governance):

- 1) Accountability of the Management to Shareholders and other Stakeholders.
- 2) Checks and Balances System to be followed.
- 3) Transparency in basic operations of the Company and integrity in Financial Reports produced.
- 4) Adherence to the rules of the Company in good Spirit.
- 5) Investor and/or Consumer Loyalty

Part II: Corporate Governance in Indian Banking Industry

1) Introduction and Overview to the Indian Banking Industry:

Banking as a Business and Body Corporate: Banks accept and deploy large amounts of public funds as well as leverage such funds through credit creation. Banks themselves also make money by this process. A body Corporate broadly means a corporate entity which has its separate legal entity. Thus, Banks being Corporate Entities; form a crucial part of the Indian Financial System and facilitates efficient allocation of resources from Savers to Investors and play an important role in economic growth. In India, Banks are categorised by - way of 1) A Separate Statue/Act: a) Statutory Banks (passed by the act of Parliament - RBI, SBI, IDBI Bank, etc.), b) Scheduled Bank (The RBI Act, 1934), c) Regional Rural Banks (Regional Rural Banks Act 1976), d) Cooperative

Banks (State Cooperative Societies Act), e) Nationalised Banks (Banking Regulations Act, 1949) - major stake (51% and above) is of the Government, thus in India all the Nationalised Banks are Public Sector Banks; or by way of - 2) Stake or control of the Government - a) Public Sector Banks (major stake 51% and above is of the Government of India, regulated by the Indian Companies Act, 1956 and 2013; and, the Banking Regulations Act, 1949), b) Private Sector Banks - banks other than Public Sector Banks (regulated by the Indian Companies Act, 1956 and 2013; and, the Banking Regulations Act, 1949); or way of - 3) Territorial Registration : a) Indian Banks b) Foreign (registered outside India). Thus, the broad classification above states that different types of Banks have separate legal entity in India.

2) Banking Business Management and Role of Corporate Governance at Indian Banks:

In the past two decades it has been observed that the Need of Corporate Governance in the Banking Industry has arisen, globally we can take the example of the Lehman Brothers - the 2007-08 financial crisis when it went Bankrupt. Corporate Governance without any doubt has built and will strengthen the Trust, Transparency, Credibility, Integrity and Accountability. Further, it helps to solve the issues of Conflict of Interests among various Stakeholders in the Industry, from the Internal Management to the Outside Stakeholders. Thus, helping

the Banking Business to grow by ensuring proper coordination, also protecting the economy as a whole and interests of public at large. In India, the Reserve Bank of India is the gate-keeper of Corporate Governance. RBI helps in formulating and implementing Corporate Governance, controls the licensing and regulates the Banking operations. The Banking Business Management Model used in India - the rating on Management (M) which has been introduced as part of the CAMELS (Capacity, Asset Quality, Management, Earnings, Liabilities and Systems) supervisory process takes into account the working of the Board and its Committees including the Audit Committee, effectiveness of the Management in ensuring regulatory Compliance and adequacy of Control exercised by the Head Offices. This model has been further modified to include Risk based Supervision. Therefore, the Corporate Governance at Banks is strengthened through regulation, supervision and by maintaining constant interaction with the Management.

Now, if we have a look in the Indian NPAs, the statistical data of the last five years show that It has kept on increasing both for Public and Private Sector Banks in India, and, the present Government predicts a further rise in the coming years, which is surely an alarming signal.

NPAs¹ (Non-Performing Assets) - Figures as below - showing an increasing NPA trend from the year 2012-2016, in both Public and Private Sector Banks respectively - Rupees in Crores.

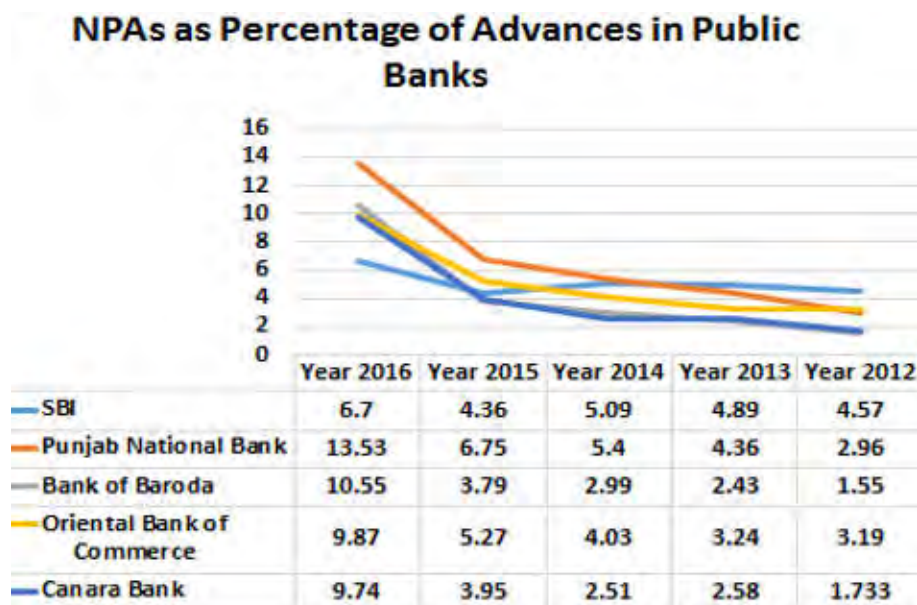


Figure 1

¹ NPAs - as defined under the third schedule of the Indian Banking Regulations Act, 1949

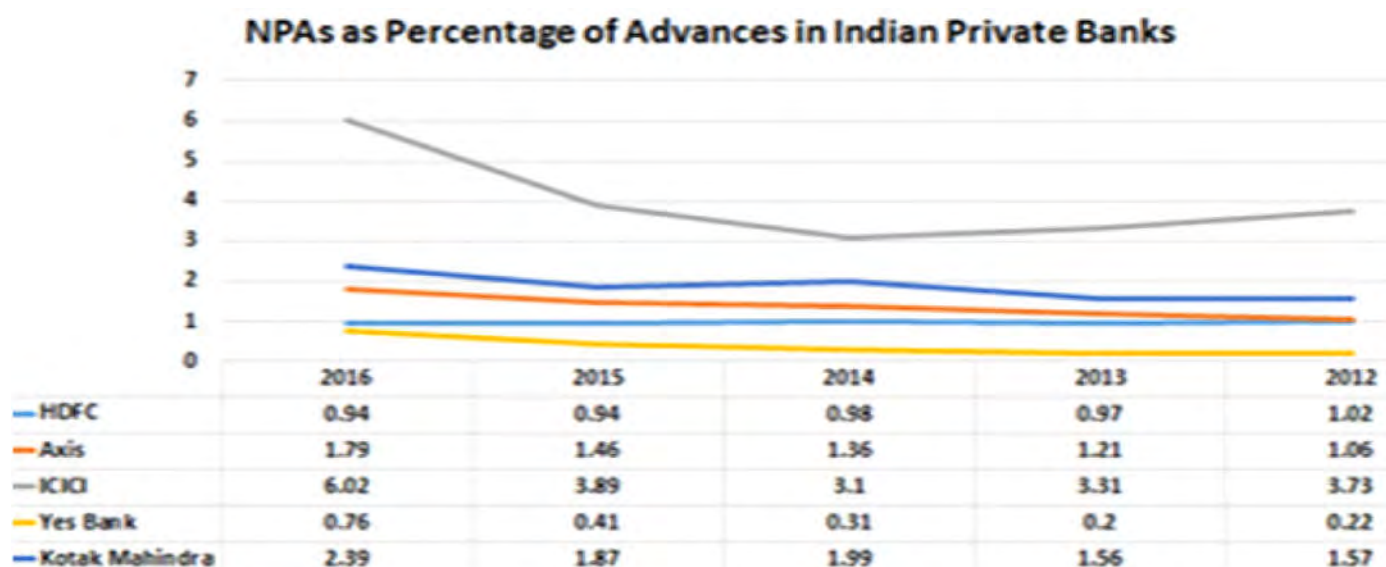


Figure 2

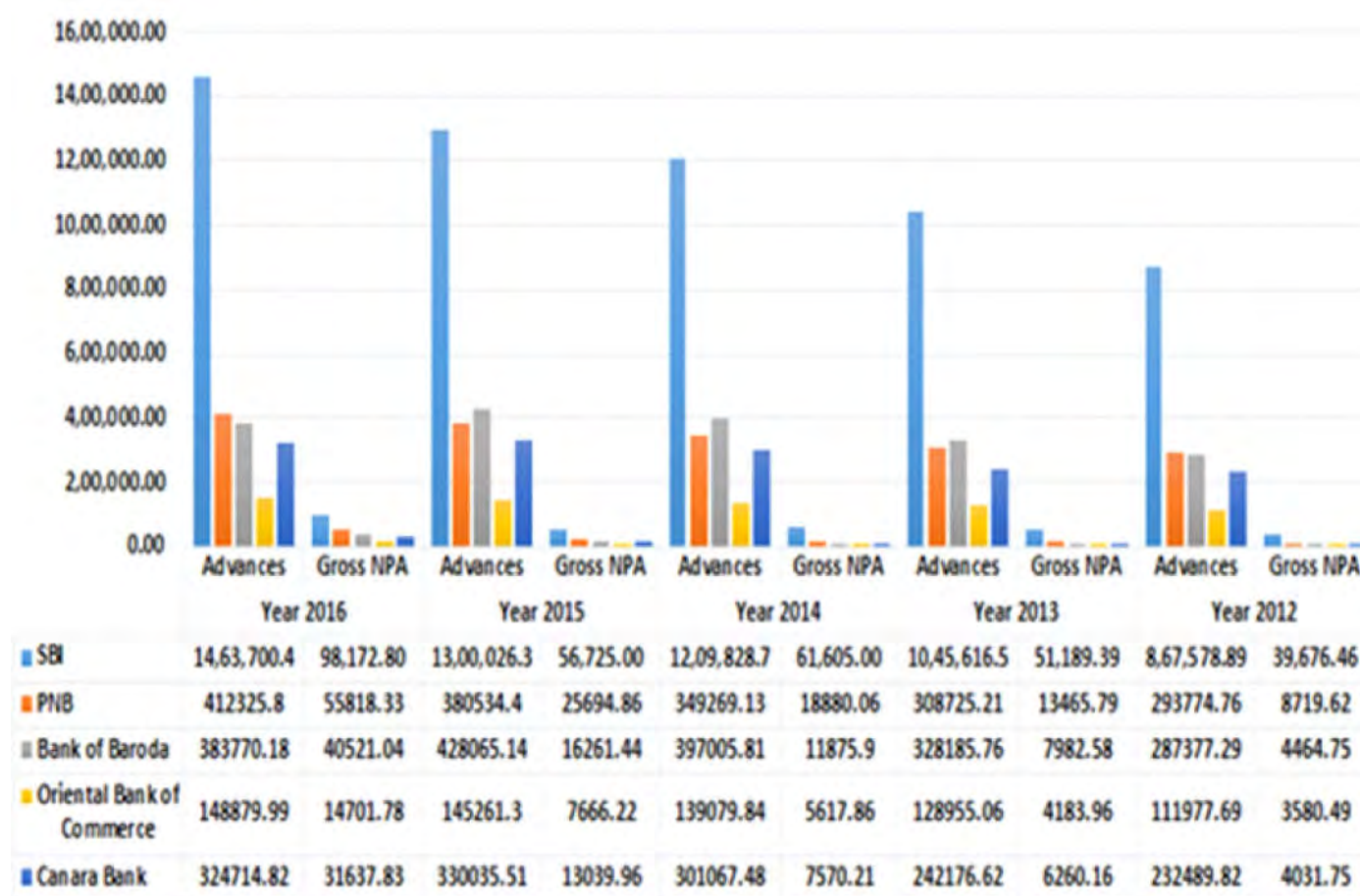


Figure 3 - Advances and Gross NPA in Public Banks



Figure 4 - Advances and Gross NPA in Private Banks

2) Current Issues of NPAs at a glance - with example of an Indian Bank: An overview and an insight into a Bank's NPA issue; and its impact on the Indian Economy, also, in the Banking Sector.

The current scam of Punjab National Bank with Firestar International Limited under Nirav Modi, while the later is trying to prove that default was from PNB's side, some sources say it was PNB fault. The Auditor of Firestar International - Deloitte Haskins & Sells in its audit report mentioned that the company didn't have appropriate Internal Control System for credit evaluation and setting credit limits for customers, which could potentially result in the respective companies recognising revenue without establishing reasonable certainty of ultimate collection. Further, the CARE Ratings issued a red flag in February 2016 and said that the Company was suffering from very high leverage, large off-balance-sheet exposure and limited customer and geographical spread. CARE's report also said the Company utilised its full working capital bank facilities when its operational performance was on decline, the, CARE downgraded the Company's Debt instruments worth Rs. 2.46 billion. While CARE issued warnings, a Fitch-owned Indian Ratings gave good ratings to the Company until the scam

came to light and put its rating under watch. (Mention the time periods of deloitte as auditor). Looking on the other side of the coin, PNB's NPA's have kept on increasing. All the NPA's could have been controlled to some extent, if the responsible management of the Bank would have taken some action. The Auditors of the Bank didn't put this malaise into its notes. The RBI too kept quiet till much later, when the rot threatened to sink the boat itself. By the SWIFT protocol, RBI could get all the information access; all advances against LOUs² by Banks (other than PNB) were communicated by highly secured inter-bank messages, using SWIFT³ protocol. Clearly when the communication mentioned that a specified sum was being advanced against a LoU by a Bank other than PNB - for Nirav Modi's Company, the RBI should have asked why the advances were being made against LoUs. Further, it was found that no margin money was paid earlier; no alert was made at that point of time (it was continued for seven long years). This scam came into picture when Nirav Modi's Company approached the PNB's Mumbai Brady House Branch in January 2018 to seek LoU for making payments to Suppliers. As reported by the CBI, when it arrested PNB's Deputy Manager Gokulnath Shetty - who revealed, the SWIFT's password was shared with few individuals, essentially

² Letter of Undertaking (LoU): is a guarantee from the Bank that should the Borrower default on repayment, it will pay back to the original lender

³ SWIFT Protocol: Codes used to share information via messages in Inter-Bank transactions worldwide, via the SWIFT (Society for Worldwide Inter-Bank Financial Telecommunication) Network

employees and Directors of Nirav Modi's Company - which made an unauthorised access and it was used to issue LoUs. Further, looking forward into the same Bank, the CBI registered twenty two cases against PNB officials for fraudulently processing loans causing a loss of about Rs. Eighty crores. It further alleged that the Bank's Officials had sanctioned loans based on forged documents.

Therefore concluding the matter, after such evidences and proofs, it can be said that the Bank's Management was itself lacking in its Corporate Governance - weak Risk Management practices and lack of Management Supervision (Internal Control System); which opposes the fact as stated in its Corporate Governance Rules - adhering to best Integrity, Accountability and Transparency in the manner for doing Banking Business.

Impact on the Banking Industry and Indian Economy: The higher the NPA's would be, the weaker will be the Banks' Revenue Share. And, this would lead to scarcity of Funds in the Indian Capital Market. Further, the Shareholders will lose their money as Banks themselves will find it tough to survive in the Market unless Recapitalization is made by the Government. This would further lead to crisis in the market. The Price of loans, Interest rates would rise drastically. This would again impact the Borrowers taking loan for setting up Capital Intensive or long term Projects. This higher interest would also impact the Retail Consumers. All these factors would hurt the overall demand in the Indian Economy leading to Lower Growth and Higher Inflation because of higher Cost of Capital.

3) The inclusion of Insolvency and Bankruptcy Code - How it has helped and will further help to recover NPAs.

In the year 2016, recent amendment came in Indian Insolvency and Bankruptcy Code which now combines the existing framework of Bankruptcy law in India into a single law for insolvency and bankruptcy. It recommends two separate tribunals to supervise the insolvency process- the NCLT for Companies and LLPs while the Debt Recovery Tribunal for Individuals and Partnerships. The time period for completion of a default recovery has maximum limit of 180 days and can be further extended by Ninety days. Both Debtor and Creditor can opt for this. World Bank which gave 136th position to India in the year 2017, stated despite all the efforts made by the Government, the Insolvency

resolution in India takes 4.3 years on an average to liquidate or dissolve a Company - which is longer as compared to other South Asia and Middle East and North African Countries which approximately take 2.6 and 1.7 years respectively.

4) Current Government's measures to solve NPA issues -

Although according to the recent World Bank and International Monetary Fund Report - RBI was praised for its remarkable progress in strengthening banking supervision and regulation and its improvement in recent years, which also reported that the new reforms will successfully resolve the problem of India's bad loans; recent scams and increasing NPAs from both Public and Private Sector Banks makes its paradoxical after scanning the ground realities.

a) Recent amendments, rules or ordinances, suggestions, and, how it is helping or/and will help further: Insights (A detailed study).

1) Amendment in the Banking Regulations Act in the year 2017, gave RBI more powers to monitor, it allows the Government to direct RBI to carry out inspection of a Lender. Further, the RBI can initiate the Recovery process under the Insolvency and Bankruptcy Code.

Suggestion: a) Over-sight Committees and Joint Lender Forums can be set up to oversight/evaluate such Defaulter Companies as suggested by the RBI officials, b) to make some changes in the Law, for a bank to extend loans to a defaulting Company that had failed to repay loans to other Bank

2) For the MSME (Micro, Small and Medium Enterprises) sector: RBI to allow certain Businesses to delay repayments upto 180 days (which is twice the mandated period), without being categorised as Non-Performing Asset; for the Standard Accounts as on Aug. 31, 2017 and where the outstanding loan as on Jan 31, 2018, doesn't exceed Rs. Twenty Five Crores. This is made with respect to recent laws made under GST - to give relaxation in the working capital cycle burden when the GST rates were increased for this sector.

3) Stringent NPA Recovery Rules:

The Sarfaesi Act (Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act) of 2002 was made with a view to make expeditious recovery from the Debts due to the

Bank; as before this Act, Banks couldn't directly recover its Bad Loans from its Customers, after the Act Banks got right to snatch the Collaterals of the Customers with the Bank, in case of default. But, after this Act also, it took years for the Banks to recover the assets. Then in the year 2016, amendment was made in the Sarfaesi Act. Some important changes are - a) creating and maintaining records in Central Data Base System of all the details of the Bank's Customer and his/her Assets, b) The term Financial Assets now include both Secured as well as Unsecured Assets.

Suggestion: a) A Risk Management System should be developed in such a way in each Bank for the Risk Assessment by the Lenders and Red-flagging the early signs of a possible default. So, the NPA problem has to be tackled or to be given to red signal before the Company starts defaulting.

4) "Hair-Cut":

In the recent years, the NPAs in the Banking Sector has been rapidly increasing, there has been a sharp fall in the profits, especially in the Public Sector Banks, so, the Government might go for write-offs of these NPAs.

5) According to Mr. Viral Acharya - RBI Deputy Governor, India should sell its Bad Loans Online like the US, for which the Asset Reconstruction Companies and Credit Rating Agencies could take some initiatives to develop such mechanism. Further, he has suggested the twin concept of Private Asset Management Company and National Asset Management Company to be formed for the resolution of Stressed Assets.

Looking towards the Nirav Modi's scam with PNB, the Government is looking into issues to understand if new rules need to be made to ensure that the Banks follow better standards. The RBI in its Financial Stability Report (FSR), published in June 2017, highlighted three major concerns: Bad loans (which could get worse by March 2018), Cyber threats (that could emanate from the increased and abusive use of technology) and Bank Frauds (which the Banks are reluctant to Report).

6) World Bank in its Report too pointed out few measures that India may follow - a) Increase in the number of NCLT for speedy disposal, quick transfer of cases from High

Courts b) Shut down of official Liquidator offices and proper monitoring of the work of Tribunals appointed.

Conclusion:

With the observations from each of the case above, for NPAs and for Recovery of Bad Loans, it can be suggested that though Management is an integral part of the Banking Business, but, in order to maintain and grow itself, surely good Corporate Governance needs to be imposed to lead the Business in a more positive direction. But, simultaneously those rules made and directions given under Corporate Governance should be implemented by the Management in the best possible manner and time. Both go parallel, and help to avoid conflict of interests between various Stake-Holders associated, and provide benefit to each in the best possible equitable manner, which would further help to create and maintain a 'trust' on the Firm, and, strong relationships in the longer run. This long term perspective of Collective Approach would not only lead to growth of the Business but to a longer sustainability of the Business. Thus, Corporate Governance leads to effective Business Management, and, surely every sector in the Indian Economy, especially the Banking Sector needs to rapidly follow good Corporate Governance Standards and have Checks and Balances on this system on a regular base.

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Consumers' Innovative Personality Traits towards Electronic Products

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Abstract

Consumer personality is defined as the characteristics that determine and reflect how consumers make choices with regard to buying patterns and consumption behavior. Consumer purchase patterns are always influenced by their personality traits. This study shows the types of innovative personality traits and possession traits a consumer have while buying electronic products, for this author has done the research on more than 600 consumers in Navsari city using descriptive cross-sectional research design and with the help of well-structured questionnaire, and five electronic products have selected to study six types of consumers' innovative personality traits and four types of possession traits. The researcher got good insight about this research and found that there is significant correlation between consumers' innovative personalities' trait with consumers' possession trait, the result also revealed that consumers who are innovative, social character, need for uniqueness, OSL and variety seeking are not comparing brands before buying electronic products and consumer having materialism type of possession trait are comparing brands before buying electronic products.

Keywords: Innovative personality traits, Possession traits and electronic products.

Introduction

Personality is a set of individual differences that are affected by the development of an individual: values, attitudes, personal memories, social relationships, habits, and skills (McAdams & Olson, 2010). Different personality theorists present their own definitions of the word based on their theoretical positions. (Engel B., 2009).

Before the 1970s, while consumer innovativeness was perceived as the adoption period of innovations within diffusion of innovations, since then, with pioneering studies, it has started to be perceived as propensity to adopt innovations. In other words, knowing about the potential consumers who will adopt product before the supply of the relevant product into the markets will allow marketers to forecast and design the best marketing strategies for such products. In other words, since then, consumer innovativeness has been considered not only as a behavioral but also as a psycho-graphics variable. The basic advantage of taking innovativeness as a psycho-graphics issue is that it is thereby possible to forecast before the emergence of innovative behaviour.

Research studies on innovation adoption process and innovativeness have developed various profiles of innovators. The persons adopting the first discontinuous innovations personal computers, video recorders, electronic payments have the following features: They are open to new ideas and changes, they are cosmopolitan, they are opinion leaders, and have a higher socioeconomic

standard (high income, higher education), they are tolerant toward risks, they prefer getting informed by mass media and are less interested in noncommercial sources such as oral communication or interpersonal relationships of the belonging group, they are oriented from inside and independent from the norms of the belonging group.

The author has researched on different types of consumers' innovative personality traits and possession traits towards selected electronic products. The selected electronic products are music system, toaster, hair dryer, mixer and electronic iron. Personality consists of the inner psychological characteristics (i.e. qualities, attributes, trait factors and mannerism that distinguish one individual from others individuals) that both determine and reflect how we think and act. The facts of personality are personality reflects individual difference, personality is generally consistent & enduring and personality can change. Innovators are the consumers who first try new products, product line extensions and services because they are open to new ideas and practices & they are enthusiastic about innovative products and have highly acceptance towards market innovations (Stefan Soyeze and Kat Soyeze, 2010).

Innovators' personality traits include Innovativeness, Dogmatism, Social character, Need for Uniqueness, Optimum Stimulation Level (OSL) and Variety Seeking.

1. Innovativeness is the degree of a consumer's willingness to adopt new products and services

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shortly after the purchase are introduced. There are certain motivational factors that inspire innovativeness. They are (a) Functional factors reflect interest in the performance of an innovation (b) Hedonic factors relate to feeling gratified by using the innovation (c) Social factors reflect the desire to be recognized by others because of one's pursuit of innovations (d) Cognitive factors express the mental stimulation experienced by using an innovation (Bert and Maggie, 2010).

2. Dogmatism is one's degree of rigidity, the opposite of being open-minded towards information & opinion contradictory to one's belief and views i.e. closed minded. Consumers who are not dogmatic prefer innovative products (Milton, 1960).
3. Social Character type of personality involves two sub-types i.e. inner directed consumers and other directed consumers. Inner-directed consumer relies on their own inner values or standard in evaluating new products while other-directed consumers look to other for guidance about what is appropriate or inappropriate. Inner-directed consumers are more innovators as compared to other-directed consumers.
4. Consumers' need for uniqueness is defined as an individual's pursuit of differentness relative to others that is achieved through the acquisition of consumer goods in order to enhance one's personal and social identity.
5. OSL is the degree to which people like novel, complex and unusual experience i.e. high OSL or prefer a simple, uncluttered and calm existence i.e. low OSL (Ann Marie Foire & et al., 2005).
6. Variety seeking type of personality consists of exploratory purchase behaviour, vicarious exploration and use innovativeness (Hirschman, 1980).

Consumers' Possession traits include Consumer's materialism, Self-consciousness, Need for cognition and Frugality.

1. Materialism is a personality that gauges the extent to which an individual is preoccupied with the purchase and display of non-essential and often conspicuous luxury goods.
2. Need for cognition measures a person's craving for or enjoyment of thinking (Chingching Chang, 2007).

3. Self-consciousness is a heightened sense of self-awareness. It is a preoccupation with oneself, as opposed to the philosophical state of self-awareness, which is the awareness that one exists as an individual being, though the two terms are commonly used interchangeably or synonymously. Unpleasant feelings of self-consciousness are sometimes associated with shyness or paranoia. An unpleasant feeling of self-consciousness may occur when one realizes that one is being watched or observed, the feeling that "everyone is looking" at oneself. Some people are habitually more self-conscious than others (Richard, 1992).
4. Frugality is the quality of being frugal, sparing, thrifty, prudent or economical in the consumption of consumable resources such as food, time or money, and avoiding waste, lavishness or extravagance (Woolf, 1980).

Determination of innovative consumers is significant in various ways. Initially, knowing about consumers tendencies to adopt innovations will guide businesses in their marketing decisions. These types of consumers' personality traits as well as others traits (such as possession traits) strongly affects the consumers' consumption behaviour and understanding them enables marketers to develop effective persuasive strategies. With such information, it is easy to decide or answer questions about the content, distribution, pricing, media and training planning of innovation.

Literature Review:

The earliest psychologists have defined personality as development of the individuals' whole psychological system (Warren and Carmichael, 1930). A simple definition of personality is how people respond to the environment in which they are living (Smith, 2001). Allport presented the same concept of personality in his definition: "The dynamic organization within the individual of those psychophysical systems that determine his unique adjustments to his environment" (Allport, 1937; Robbins et al., 2009). In simple words, personality can be defined as the collection of intrinsic and extrinsic traits that may affect the behavior of an individual. So to evaluate the personality of a person; traits or characteristics play the primary role (Allport, 1937; Bowers, 1973; John, 1990). Significant among these are the psychodynamic theory, the trait theory, the behavioral theory, the humanistic theory and the socio-cognitive theory (Myers, 1995;

Burger, 2000; Franzoi, 2002; McLeod, 2014). From last many years, a general agreement can be observed among the psychologists on a comprehensive and robust personality model that is known as big five personality model that consists of five universal personality traits named as extraversion, conscientiousness, agreeableness, neuroticism and emotional stability (Goldberg, 1981; Conley, 1985; Costa and McCrae, 1988; McCrae, 1989; McCrae and Costa, 1985; McCrae and Costa, 1987; McCrae and Costa, 1989; Wortman et al., 2012).

One of the earliest definitions of Innovation was given by Schumpeter (1934). According to him innovation refers to creation and implementation of "new combination" of service, work processes, products and markets (Schumpeter, 1934). King and Anderson (2002) defined innovation as: Anything newly introduced for the social settings, Idea based, Intention based, Introduced for the purpose to provide benefits, Accidental, Not an in-routine change & Affects public. Amabile (1996) stated without creativity, no innovation is possible. So to study the relation of personality and innovative behavior, it is important to review the past literature on relation on personality creativity.

Three theories of personality are prominent for the study of consumer behaviour; they are psychoanalytic theory, neo-Freudian theory and trait theory. The psychoanalytic theory given by Freud focuses on the study of motivational research which shows that human drives are largely unconscious in nature and motivate many consumer actions. Neo-Freudian Personality theory focuses more on social relationship in addition to Freud's concept; it is

explained that social relationship plays a crucial role in the development of personality. Horney (1937) classified three personality groups i.e. complaint individuals, aggressive individual and detached individuals. Researchers have developed a personality test based on Horney known as CAD test (complaint, aggressive and detached test) to study consumer behaviour (Joel, 1967). Trait theory explained psychological characteristics or features that one person apart from others. Researchers developed personality test and found out different traits like innovativeness, materialism and ethnocentrism.

Alfred Adler (1879-1937) has measured "activity" (connected with "energy") against "social interest", yielding the four "styles of life". Researchers found that some people prefer the written word as a way of securing information, whereas others are influenced by images. Visualizers are more receptive to pictorial images, and it includes two types: Object visualizers (who encode and process images as a single perceptual unit) and spatial visualizers (who process images piece by piece). Verbalizers prefer promotional messages containing a lot of written, textual and verbal information (Kozhevnikov et al., 2005)

Researchers proposed the concept of product personality and stated that products or products variants defined by size, price, or appearance carry human associations to be differentiated from identify of a brand associated with the specific name (Govers and Schoormans). Further, studies identified four personality characteristics of websites i.e. intelligence, fun, organized and sincere. The findings suggests that incorporating personality traits into the design of websites can generate more favorable

Color	Personality Link	Marketing Insights
Blue	Commands, respect, authority	American favored color. Associated with club soda etc..
Yellow	Caution, novelty, temporary, warmth	Coffee in yellow can tastes weak Stops traffic Sales house
Green	Secure, Natural, relax, easy going	Good work environment Associated with vegetables and chewing gums
Red	Human, exciting, hot, hot & passionate	Makes food smells better Coffee in red can perceived as rich Coco cola owns red
Orange	Powerful, informal and affordable	Draws attention quickly
Brown	Informal and relaxed, masculine, nature	Coffee in red can perceived as too strong Men seeks products packed in brown
White	Goodness, purity, chastity, cleanliness, formality	Suggest reduced calories Pure and Wholesome food
Black	Authority, power, sophistication	Powerful clothing High-tech electronics
Silver, gold, platinum	Regal, wealthy, safety	Suggests premium price

Source: From "Color Schemes" by 'Bernice Kanner' in the New York Magazine 4/3/1989.

attitudes among visitors and more clicks on the site's page (Chen & Rodgers, 2006). A study on correlation between food consumption and self-image found that Americans are becoming larger, because of consuming increasingly larger portions and too much food. Many people who are overweight see themselves as being of normal or average weights (Parker, 2012).

Consumers not only ascribe personality traits to products and services, but some also associate personality characteristics with specific colors - (Kanner, 1989)

Brand Personality occurs when consumers attribute human traits or characteristics to a brand. Research shows that of all the elements of the marketing mix, promotional messages have the greatest influence in creating a brand personality. One of the studies explored the dimensions of brand personality for products marketed by 64 American multinational corporations. The author has analyzed 270 websites of these corporations, in US, UK, France, Germany and Spain and discovered five types of brand personality: excitement, sophistication, affection, popularity and competence (Okazaki, 2006).

The above framework has been applied to personifying many brands of consumer goods, depicts five dimensions of brand's personality - sincerity, excitement, competence, sophistication and ruggedness and 15 more narrowly defined characteristics, such as down-to-earth, daring, spirited, charming, outdoorsy etc.

Research Methodology:

Descriptive cross-sectional research design and

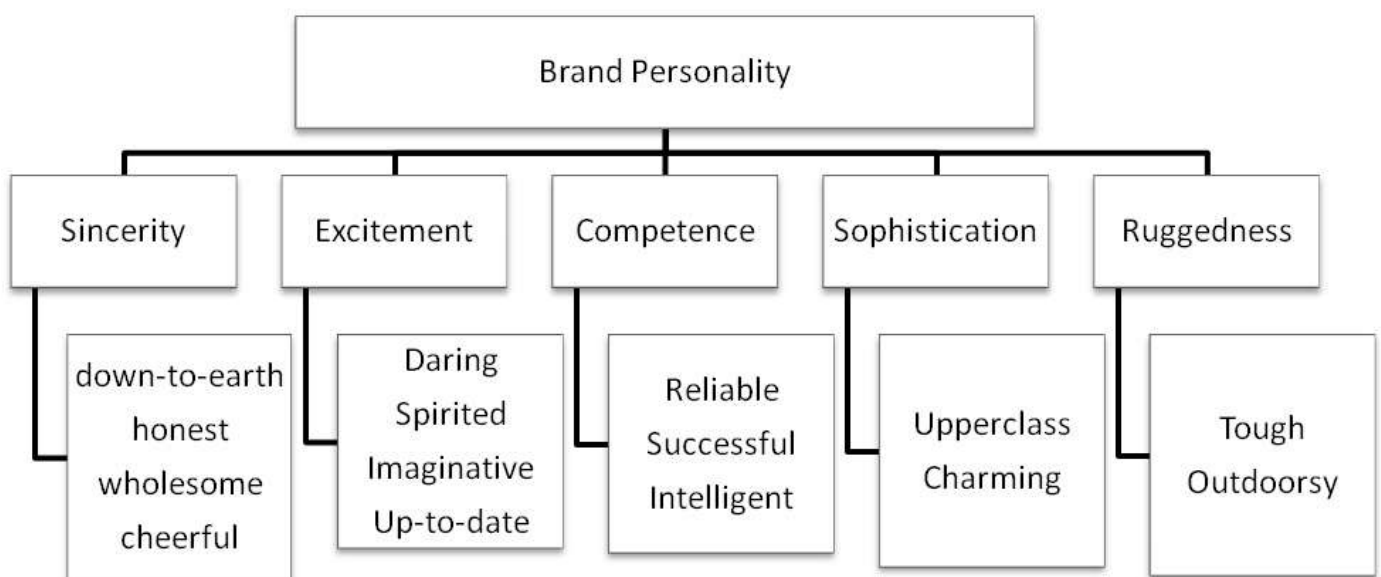
quantitative research were used to get responses about five selected electronic products from respondents with the help of well-structured questionnaire. The questionnaire was used to gather data from Navsari city. Previous studies were scanned to form the questions. In this context; face to face interviews were performed with more than 600 consumers in Navsari. A five point likert scale was used to measure consumers' innovative personality and possession traits. The scales comprised of the statements (1) strongly agree, (2) agree (3) neutral (4) disagree and (5) strongly disagree. The first part of Scales is on the basis of Innovative Personality Trait which includes Innovativeness, Dogmatism, Social Character, and need for uniqueness, Optimum Stimulation Level (OSL), Variety / Novelty Seeking. The second part of scales is on the basis of Possession traits which include Materialism, self-consciousness, need for cognition and frugality. The third part of questionnaire inquiries about consumer owns electronic products, a brand of electronic products, comparison of brands while buying electronic products and from where they prefer to buy the electronic products i.e. from online or retailers.

Research Objectives:

- [1] To study consumers' innovative personality traits towards electronic products.
- [2] To study consumers' possession traits towards electronic products.
- [3] To study the relationship between innovative personality traits and possession traits.

Hypothesis:

- [1] There is significant co-relation between consumers' innovative personalities trait with consumers' possession trait.



Source: Brand Personality Framework, Journal of Marketing Research, 1997, American Marketing Association.

- [2] There is significant difference between types of consumer innovative personality's trait with the consumer who compares brand before buying.
- [3] There is significant difference between types of consumer possession trait with the consumer who compares brand before buying.
- [4] There is significant difference between the rank variables which are to be considering while purchasing electronic products.

Sampling plan:

Sampling method	Non probability Convenience method
Sampling size	603 consumers
Sampling unit	People who have purchased the selected electronic products
Sampling area	Navsari City

Future scope of the study:

The area covered under this study is Navsari city, the whole city is unable to cover due to time & cost constraints and this study only cover the selected electronic products, other products such as electronic gadgets, FMCG etc. can be studied in the future.

Data Analysis :

The above table highlights the type of Innovative Personality trait consumers have at the time of purchasing electronic products. Questions are in the form of Likert

scale (1 = Strongly Agree and 5 = Strongly Disagree). Innovativeness traits (mean score is 2.26) and dogmatism (mean score is 1.92) type of personality are found more in buying electronic iron as compare to other products. Social character (mean score is 2.32) and need for uniqueness (mean score is 2.36) types of personality are found more while buying music systems as compare to others. OSL (Optimum Stimulation Level) (mean score is 1.19) and variety seeking (mean score is 1.34) type of personality are found more while buying Toaster as compare to others.

The above table highlights what type of possession trait consumers have at the time of purchasing electronic products. Questions are in the form of Likert scale (1 = Strongly Agree and 5 = Strongly Disagree). Consumers have more materialism and self-consciousness type of possession traits while buying electronic iron and toaster as compare to other products (mean score for materialism are 1.92 and 1.97 respectively, mean score for self-consciousness are 1.70 and 1.72 respectively), while it has been found that consumer have need for cognition type of possession trait while buying music systems and toaster (mean score are 1.91 and 1.80 respectively) as compared to other products. Lastly, Frugality type of possession trait are found more while buying music system as compared to others products.

Electronic Products	Type of Consumer Innovative Personality traits (Mean Score)					
	Innovativeness	Dogmatism	Social Character	Need for Uniqueness	OSL	Variety seeking
Music system	2.61	2.13	2.32	2.36	2.01	1.98
Mixer	2.78	2.34	3.51	3.91	1.58	2.47
Electronic iron	2.26	1.92	2.56	2.70	1.68	2.06
Toaster	2.88	2.18	2.55	2.55	1.19	1.34
Hair dryer	2.42	2.21	2.91	3.06	1.80	2.09

Electronic Products	Types of Consumer Possession Traits			
	Materialism	Self-consciousness	Need for cognition	Frugality
Music system	2.09	2.26	1.91	1.85
Mixer	2.58	1.94	2.22	2.00
Electronic iron	1.92	1.70	2.15	2.00
Toaster	1.97	1.72	1.80	2.00
Hair dryer	2.14	1.77	2.11	2.01

Normality Test : Normality tests are used to determine if data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed.

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Innovative trait	.450	603	.000	.567	603	.000
Possession trait	.524	603	.000	.204	603	.000
a. Lilliefors Significance Correction						

An assessment of the normality of data is a prerequisite for many statistical tests because normal data is an underlying assumption in parametric testing. The above table presents the results from two well-known tests of normality, namely the Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. The Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples), but can also handle sample sizes as large as 2000. For this reason, we will use the Shapiro-Wilk test as our numerical means of assessing normality. From the above table it is shown that the significance (probabilities) values of Shapiro-Wilk test and Kolmogorov-Smirnov test are found to be less than 0.05 that shows the data are not normally distributed, and for that the researcher has used the non-parametric test for testing the hypothesis.

Co-relation test: - (to test the first hypothesis)

Ho: There is no significant co-relation between consumers' innovative personalities trait with consumers' possession trait.

Ha: There is significant co-relation between consumers' innovative personalities trait with consumers' possession trait.

Innovative Trait		Innovative Trait	Possession Trait
	Pearson Correlation	1	.182
	Sig. (2-tailed)		.000
	N	603	603
Possession Trait	Pearson Correlation	.182	1
	Sig. (2-tailed)	.000	
	N	603	603
Correlation is significant at the 0.01 level (2-tailed).			

The Bivariate Pearson Correlation produces a sample correlation coefficient, r , which measures the strength and direction of linear relationships between pairs of continuous variables. The Bivariate Pearson Correlation cannot address non-linear relationships or relationships among categorical variables. The Bivariate Pearson Correlation only reveals associations among continuous variables. From the above table it is shown that the significant value is less than 0.05, so there is significant co-relation between consumers' innovative personalities' trait with consumers' possession trait. When Pearson's 'r' is positive, this means that as one variable increases in value, the second variable also increase in value. Similarly, as one variable decreases in value, the second variable also decreases in value. This is called a positive correlation. In our example, our Pearson's r value of 0.182 was partly positive co-relation.

Mann-Whitney U: - (to test the second and third hypothesis)

Ho: There is no significant difference between types of consumer innovative personality's trait with the consumer who compares brand before buying.

Ha: There is significant difference between types of consumer innovative personality's trait with the consumer who compares brand before buying.

	Innovativeness	Dogmatism	Social Character	Need for Uniqueness	OSL	Variety Seeking
Mann-Whitney U	1772.000	1215.500	1862.500	1644.500	1.889E3	1571.000
Wilcoxon W	1800.000	1243.500	179768.500	1672.500	1.798E5	179477.000
Z	-.763	-2.089	-.534	-1.014	-.485	-1.235
Asymp. Sig. (2-tailed)	.445	.037	.593	.311	.628	.217

	Materialism	Self-consciousness	Need for cognition	Frugality
Mann-Whitney U	1363.000	1821.500	1894.500	2030.000
Wilcoxon W	1391.000	1849.500	179800.500	179936.000
Z	-2.057	-.671	-.586	-.376
Asymp. Sig. (2-tailed)	.040	.502	.558	.707

Ho: There is no significant difference between types of consumer possession trait with the consumer who compares brand before buying.

Ha: There is significant difference between types of consumer possession trait with the consumer who compares brand before buying.

The Mann-Whitney U is a non-parametric test used to assess for significant differences in a scale or ordinal dependent variable by a single dichotomous independent variable. It is the non-parametric equivalent of the independent samples t-test. This means that the test does not assume any properties regarding the distribution of the dependent variable in the analysis. The U-test is a non-parametric test, in contrast to the t-test; it does not compare mean scores but median scores of two samples. Thus, it is much more robust against outliers and heavy tail distributions. The significant value shows that consumer who are innovative, social character, need for uniqueness, OSL and variety seeking are not comparing brands before buying, while consumer having dogmatism type of innovative personality trait are comparing brands before buying. The significant value shows that consumer having materialism type of possession trait are comparing brands before buying, while consumer having possession trait like self-consciousness, need for cognition and frugality are not comparing brands before buying.

Friedman Test: - (to test the forth hypothesis)

Ho: There is no significant difference between the rank variables which are to be considering while purchasing electronic products

Ha: There is significant difference between the rank variables which are to be considering while purchasing electronic products

	Mean Rank	N	603
Price	2.00	Chi-Square	595.794
Quality	3.52	Df	4
Features	3.54	Asymp. Sig.	.000
Utility	3.64	a. Friedman Test	
Durability	2.30		

The question was asked on the basis of factors considering while purchasing electronic products. The Friedman test is the non-parametric alternative to the one-way ANOVA with repeated measures. It is used to test for differences between groups when the dependent variable being measured is ordinal. The null hypothesis for the Friedman test is that there are no differences between the variables.

If the calculated probability is low (P less than the selected significance level) the null-hypothesis is rejected and it can be concluded that at least 2 of the variables are significantly different from each other.

Findings and Conclusion :

The findings show that more than 21% consumers are using electronic products of Philips brand, more than 14% consumers are using Bajaj brand, more than 10% are using Panasonic while remaining were using Samsung, LG, Sony etc. It is also found that more than 83% consumers have purchased their electronic product from retailers while remaining have purchased from online stores.

Innovativeness trait and dogmatism type of personality are found more in buying electronic iron as compared to other products. Social character and need for uniqueness types of personality are found more while buying music systems as compared to others. OSL (Optimum Stimulation Level) and variety seeking type of personality are found more while buying Toaster as compare to others. Consumers have more materialism and self-consciousness type of possession traits while buying electronic iron and toaster as compared to other products, while it has been found that consumer have need for cognition type of possession trait while buying music systems and toaster as compared to other products. Lastly, Frugality type of possession trait are found more while buying music system as compared to others products.

The researcher has used non-parametric test as normality test found that the data are not normally distributed. The co-relation test shows that there is significant co-relation between consumers' innovative personalities' trait with consumers' possession trait. Mann-Whitney U test is used and results show that consumer who are innovative, social character, need for uniqueness, OSL and variety seeking are not comparing brands before buying electronic products, while consumer having dogmatism type of innovative personality trait are comparing brands before buying electronic products, and consumer having materialism type of possession trait are comparing brands before buying electronic products, while consumer having possession trait like self-consciousness, need for cognition and frugality are not comparing brands before buying electronic products. The Friedman test is used for rank question and it is found that at least two of the variables are significantly different from each other.

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Reflection of Human Nature on Organization Politics and Effect of Organizational Politics on the family members

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“Indeed, organizing atheists has been compared to herding cats, because they tend to think independently and will not conform to authority. But a good first step would be to build up a critical mass of those willing to ‘come out,’ thereby encouraging others to do so. Even if they can’t be herded, cats in sufficient numbers can make a lot of noise and they cannot be ignored.”

– Richard Dawkins, *The God Delusion*

“Never underestimate the power of stupid people in large groups.”

– George Carlin

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Abstract

There are many discussions on organizational politics / workplace politics. Human Nature is the identity of the person which refers to distinguished characteristics such as the way of thinking, feeling behaving that human tends to have naturally independently of the influence of culture. Development of human nature depends on many factors cultural background, religion, caste, society in which the person is born and brought up, environment of family & surrounding, friends, schooling, educational background all these factors affect human nature of the person and organizational politics is, when an individual uses power for his/her own benefit without keeping in mind the adverse effect on his/her goal and the organizational goal. The objective of this study was to identify the significant incidences of organization politics as experienced by the employees and their families. Also, to identifies meaning of such experiences. Since the study is exploratory in nature, keeping in mind the purpose and objectives of the study,data collection is done through interviews by using Phenomenological method. The study focuses on Exploring human nature as reflected in meanings given to incidences of organizational politics. Organizations politics are subject to conflict and competition between the desire and interests of different departments, teams and individuals. Organizational politics is the process through which rival interests are played out and eventually reconciled. Organizational politics not only divert the employee from their personal goal but it also becomes difficult to achieve the organizational goal. Moreover, it effects the family members also.

Introduction:

Human nature is something that defines the identity of human being, their behaviour, nature, personality, and the thought process of the particular person. Mostly it is seen that the culture, background, religion, education and also the environment of the person has a great impact on his/her human nature. Human nature refers to the distinguishing characteristics, including ways of thinking, feeling and behaving that humans tends to have naturally, independently of the influence of culture. Recent research in genetics, evolutionary biology, and cultural anthropology suggests that humans may a complex interaction between genetically inherited factors ("nature")

and development and social factors ("nurture"). Basic drives shared with other primates includes food, sex, security, play and social status "Human Nature" [01]

Phenomenology can be described as a qualitative research technique that seeks to make explicit the implicit structure and meaning of human experience. It is the search for "essences" that cannot be revealed by ordinary observation. Phenomenology is the science of essential structures of consciousness or experience. It concentrates neither on the subject of experience nor on the object of experience but on the point of contact at which "being and consciousness meet" (Edie, 1962). The point of phenomenology is to get straight to the pure and

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unencumbered vision of what an experience essentially is.

Organizational Politics

All organizations are subject to conflict and competition between the desire and interests of different departments, teams and individuals. Organizational Politics is the process through which rival interests are played out and eventually reconciled. While in an ideal organisation it may be hoped that decisions are made on a rational basis, politics is inherently non-rational and subject to power interactions between diverse interests. Though it is not something that people will always be willing to admit, organizational politics play a large role in how most businesses function run. People are political animals and it is hard to prevent politics from entering the office place. This is not entirely a negative, as it is not possible to use the political motives of workers and others in an organization to accomplish broader goals and to increase an organization's efficiency (By Casey Reader).

Literature Review

"Eran Vigoda"(Vigoda 2000) in their research they worked on how the employees react to the organization politics and their perception of organizational politics and how it affects negatively on job attitude. "Drory"(Drory & Vigoda-Gadot 2010) discovered that how the organizational politics have damaging effect on lower grade employee and how the employees find organization politics as source of frustration and negative work environment. "Russell Crapanzano, John C Howes, Alicia A Grandey and Paul Toth" (Cropanzano et al. 1998) argued on the consequences of organizational politics and for this they took two different samples one part time and another full time employee. There major findings were on withdrawal behaviour, turnover intentions, job satisfaction and commitment towards organization. And it was found that the organization politics give negative work outcomes while support gives positive both in full time and part time employees. "Bolanle Ogungbamila" (Ogungbamila 2013) he extended his literature on workplace incivility by investigating the extent to which perception of organizational politics and job related negative emotions predicted workplace incivility, academic qualification also exerted influence on workplace incivility, job related negative emotions significantly predicted workplace incivility. The results of this study have some practical and empirical implications.

The findings of the study indicated that workplace incivility was employees' reaction to uncertainty, unfavourable political manipulations and general negative emotion-evoking situation in the workplace. In order to reduce workplace incivility, especially during change and uncertainty (when employees' jobs are threatened) organization should effectively manage employees' job related negative emotions and perception of organizational politics. Organizations should institute effective tracking system that detect identify report and discourage incivility however the study did not compare the influence of perception of organizational politics, job related negative emotions on workplace incivility."Joseph M Goodman, W Randy , Charles M Carson" (Evans et al 2011) they argue on the interaction of perceived accountability on the politics perception and job stress relationship. Findings indicated that individual perceiving organizational politics and high levels of accountability reported more quality concern stress and job vs. non-job conflicts. Secondly individuals perceiving organizational politics and low level of accountability reported less quality concern stress and job vs. non job conflicts. The objective was to provide theoretical and empirical support for the interactive effect of perceived accountability on the politics perception and stress relationship to that end, support was found for 2 of the 4 hypothesized relationships. The findings suggest that individuals perceiving both high levels of politics and accountability report more quality concerns and report more job vs non-job conflicts further findings also suggested that reports for quality concerns and job vs. non-job conflicts are lower for individual in high politics perception and low accountability conditions that for individuals in low politics perception and low accountability conditions. Finally, the study failed to demonstrate effect for responsibility pressure and role conflicts. Prof. Roselyne W Gakure & Dr, George Orwa (Gakure n.d.) argued that politics is essential skill for the managers to get the work done they also argued that organizational politics can build or destroy careers they conclude in their study that the managers were aware about the political environment but they were considering that organizational politics is natural phenomenon in any organization.

The literature review shows how the organization politics creates the negative work environment which lead to stress and lack of job satisfaction however as per few organization politics also play a positive role in dealing

with the subordinate and managing team work. But most of the time we leave the important aspect of the organization politics i.e. when the person suffers or play the politics how they react to it in their personal life and how their family have to cope with this.

Objectives, Research Questions & Methodology

Sr. No.	Objectives	Research Questions
1	To identify significant incidences of organizational politics as experienced by people (employees & their families)	Why in their opinion it was politics and how they have reacted to this personally
2	To identify meanings of such incidence as experienced by people	How do people interpret such incidences

Methodology

The proposed study is exploratory in nature, keeping in mind the purpose and objectives of the study, the following multi method qualitative study data collection methods and sampling techniques have been chosen,

Data Required	Data Source	Data Collection
Significant incidences of organizational politics	Employee & their family member	Phenomenological Interview
Meanings of such incidence	Employee & their family member	Phenomenological Interview
Framework theories of Human Nature	Secondary sources	Review of literature

Sampling unit : Employees and their one member

Sample size : 10 Individuals 5-Employees 5- Family Members (One member each from employee family)

Sampling procedure: Convenience

Justification of Sample Size

As a result of the numerous factors that can determine sample sizes in qualitative studies, during the literature search for the background researcher found.....

Where in Ethnography and ethnoscience: MORSE (1994, p.225) 30-50 interviews for both; BERNARD (2000, p.178) states that most studies are based on samples between 30-60 interviews for ethnoscience;

Grounded theory methodology: CRESWELL (1998, p.64) 20-30; MORSE (1994, p.225) 30-50 interviews.

All qualitative research: BERTAUX (1981, p.35) fifteen is the smallest acceptable sample (adapted from GUEST et al., 2006). [10]

Phenomenology: CRESWELL (1998, p.64) five to 25; MORSE (1994, p.225) at least six; Clark Moustakas 5-10

This research is on Phenomenology 10 interviews has been opted. Since phenomenology seeks to make explicit the implicit structure and meaning of human experience. It is search for “essence” that cannot be revealed by ordinary observation. Phenomenology is the science of essential structure of consciousness or experience it concentrate neither on the subject of experience nor on the object of experience but on the point of contact at which “being and consciousness meet” the point of phenomenology is to get straight to the pure and unencumbered vision of what an experience essentially is.

Since this study is based on the lived experience (phenomena) of an employee about the organization politics they have faced in their professional career and at the same time researcher is also studying the Phenomena of their family members on the behaviour of the employee after they return home. Researcher has taken samples of different designation General manager , Manager , Asst Manager , Supervisor / executive so that it can be analysed and studied the lived experience of organizational politics on different levels of employee to cover this sample size of 10 is sufficient and which serves the purpose of study.

Definitions of the terms used in the transcendental Phenomenology

Intentionality : Refers to the consciousness to the internal experience of being conscious of somethings; thus, the act of consciousness and the object of consciousness are intentionally related. Included in an understanding of consciousness are important background factors; such as, stirrings of pleasure, early shaping of judgement or incipient wishes.

Noema : The Neoma is not the real object but the phenomenon.

Noesis : The perceived as such “is the Neoma; the “prefect self-evidence”

Intution : Is the beginning place in deriving knowledge of human experience, free of everyday sense impression and the natural attitude.

Intersubjectivity: it is connection with self-insights and subjective perception of what is real.

Methodology of Transcendental Phenomenology

Epoche , Phenomenological Reduction and Imaginative Variation.

Epoche : It is the elimination of suppositions and the raising of knowledge above every possible doubt. Epoche is a Greek word meaning to refrain from judgement, to abstain from or stay away from the everyday, ordinary way of perceiving things.

Phenomenological Reduction : it moves beyond the everyday to the pure ego in which everything is perceived freshly, as if for the first time it is called ‘phenomenological ’because it transform the world into mere phenomena. It is called reduction because it leads us back to the source of the meaning and existence of the experienced world.

Imaginitive Variation

The Imaginative variation follows the Transcendental-Phenomenological reductions. Its aim is to grasp the structural essences of experience.

Horizontalization: In this excerpt from interview I have selected portion of the verbatim transcription, representing horizontalization of the therapist’s experience of “presence” this example of horizontalization illustrate the importance of being receptive to every statement granting each comments equal value and thus encouraging a rhythmical flow between the research participants and researcher, interaction that inspires comprehensive disclosure of experience the excerpt on the therapist’s experience of presence begins with an open invitation, internal awareness of space and imaginative readiness as ways of entering into the therapeutic encounter setting the tone and conveying an alertness receptiveness and attunement to listening hearing and responding to whatever the person in therapy present. Each statement in horizontalizing holds equal value and contribute to an

understanding of the nature and meaning of therapist presence

What an experience essentially is.

According to the Internet Encyclopedia of philosophy Phenomenology refers to the way of doing philosophy that is more or less closely related to the corresponding movement phenomenology utilizes a distinctive method to study the structural features of experience and of the things as experiences. Many writers have also written about what is phenomenology, and the difficulties in the study and in developing the meanings. Some have also written on “The phenomenology of altered states of consciousness”

Method followed for this study

There are three fundamental components in a phenomenological research design:

1. Determining the limits of what and who is to be investigated.
2. Collection of data.
3. Phenomenological analysis of the data.

Phenomenological researcher tends to choose the interview due to their interest in the meaning of phenomenon as it is lived by the other subject and collecting data solely from oneself would be more of a philosophical endeavour.

However, the phenomenological researcher are interested in the subjectivity of other persons and it seems logical that we would get a description of such subjectivity and collecting description from other is also an attempt at a discovery of human scientific meaning of a particular phenomenon.

Before starting with the interview researcher concentrated on the overall research questions. The aim was to show the essential relationship between the overall research question and the data collection procedures.

In initial phase researcher did selection of sample in which researcher decided who is to be interviewed.

In next phase researcher tried to understand the phenomenon from the point of view of employee i.e. lived experience in order to able to discover the meaning of it.

Interview started with few personal or informal questions. The remaining questions should follow the response of the interviewee with a focus on the phenomenon being researched.

The idea was to identify the influences likely to be most important, analyse how people were apt to respond to them, and revised them where required, to create the right kind of working environment at office and in home.

The researcher thus investigated the influence of perception of organizational politics on employee's & their families. The study would thus contribute towards greater understanding of the gestalt of human nature and proposes to achieve this through phenomenological exploration of incidences of organizational politics.

Question asked during Phenomenological Interview.

Started with

1. Tell me something about your experience on organizational politics which you must have faced and which has impacted your life a lot.
2. Other question follows related to answer on above question.

Ended with

1. What have you experience in terms of the phenomenon?
2. What context or situation have influenced your experience of phenomenon?

Structural Description: How the participant has experienced the phenomenon.

- Changes in reporting structure
- Changes in hierarchy
- Refusing for sharing of data
- Losing power
- Production losses
- Rigidity for acceptance of changes

The Participants are the employees of the company working for more than 5 to 10 years, it is very common for any employee, if they stay more than 5 years in the company they get emotionally attached to the company. During the interview it was found that many of the participants were unhappy due to change in the profile / department / role. Few were not ready to accept the changes and all of them were unhappy, the most common reason for their unhappiness was unstructured organization, undefined reporting structure and Key Result Area.

The first participant even though his designation was Asst. Manager Communication reporting was to management, when he was asked to report to new joined plant head, he was not able to accept these changes, he was also maintaining the records manually when asked to computerized these records, he refused. Many time employees maintain the data manually so that they can keep a hold on data which they do not like to share as they think it belong to them and nobody expect them can work on that place this is one of the technique of organizational politics. When the wife was asked his reaction at home she replied "He use to be very rude with me or mummy Because of the office tension and also my father in law is suffering from cancer and he is on last stage this may also be the reason of his behaviour".

In second interview the participant was having the problem with the Human Resource personnel, both were young and inexperienced however participant was senior to her for two years. Without digging in depth we can see this as case of ego, but it was problem of unstructured organization, no KRA's, undefined reporting structure, due to which the HR was reporting to MD directly and MD without checking what is happening down the line allowed her to take big decisions. Nobody would like to hear the bad comments on dresses, makeup etc., which is another type of politics played by the HR with participant, so that either she leaves the job or accept the domination of HR. when her husband was interview he said "Whenever I come back from office I always found her upset, frustrated which was also creating misunderstanding between her and my parents because my parents were unaware of the office problem, hence I suggested her to switch the job or fight back."

Third Participant was the General Manager of the company he left many of good companies just because to stay near his hometown when he joined the present company, he was happy. He was controlling eight plants but gradually as the work increased the workload was distributed and he started losing the power in the organization, he started facing rejections in many decision due to entry of more qualified and experienced people. When wife was interviewed her eyes were full of tears and she was not able to speak for sometime then she told I stopped waiting for him for anything. I have made my own circle for my entertainment and now I do not expect anything from him.

Fourth participant was the managing director of the company. He discussed very openly on how the people

play politics. He knows that because of politics his company's output, efficiency and the environment is getting worst. He brought the company to this level with lot of hard work, ignored the family, friends and now the employees are playing the politics and spoiling the company. There is huge loss of productivity. When the researcher asked the political incidence he told that employees were not obeying the deadline given by him.

Another incidence was many times when he has to visit the shop floor for getting the work done from the operators and workers (wrong hiring problem can be seen). When his wife was interviewed, she cried and explain the phenomena with all the regret in her heart. She was also worried about the Husband. She regretted that she alone brought up the children and missed the support of her husband, but at the same time she was happy because husband is now rectifying the mistakes and managing his behaviour and stress.

Fifth interview was also MD regret is almost the same like previous MD they are upset with the losses because of organizational politics, groupism and non-performers. Reaction of wife was also somewhat similar but still she is accepting the positive changes in his behaviour.

Findings and Conclusion

Findings of this research matches with many other researcher that human nature mostly deals with the background of the person, his / her family culture , upbringing and surrounding and the circle in which he/she is staying and in fact this is the thing which mostly affect the organizational politics. During this research researcher found following this

1. The organization politics is on every level
2. Reason of organisational politics is to secure the job and to gain the individual benefit. Employees do not want to change their attitude and they react politically to resist the change. Gaining and losing the power is one of the reason of change in their behavior in the office and organisational politics.
3. In most of the case the organisational politics adversely affected them in their personal life because of the human nature.

Limitation & Challenges

Applicable challenges are the exploratory research design, interpretive framework, researcher and respondent bias, many other constraints from the organization, some on discussing personal, some were between the researcher and the respondent during interview with family members.

The researcher was aware of these challenges and others which have emerged during the study and due case have be taken to overcome or to address these limitations during the process of this study. Research of similar nature could be conducted in any other cities in the world. However due the phenomenological studies researcher also had the limitation of timeframe and the sample size.

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An Exploratory Analysis of Factors Affecting Consumers' Decision of Patronizing a Particular Restaurant in Anand and Vadodara

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Abstract

The study is focused to measure the degree of satisfaction, quality, service and loyalty using multi-dimensional research instrument SERVQUAL. It focuses on the association between service-quality, consumers' satisfaction and loyalty for patronizing a particular restaurant. The study also focuses on how service and quality are related to each other, what is the impact of service and quality on the satisfaction and how satisfaction resulted into loyalty of customers.

Key words: Restaurant, Patronize, SERVQUAL

Introduction

This is a Quantitative research survey for accessing service-quality, satisfaction and loyalty for restaurants, in order to measure the patronizing nature of consumers. This study is based on the analysis of expectations and perceptions of consumers for restaurants by means of five dimensions:

- Reliability
- Assurance
- Tangibles
- Empathy
- Responsiveness

From the difference between what is expected by the consumer and services offered, gaps or shortcomings are derived that may be the main obstacle for consumers to patronize. A psychometric scale called service quality (SERVQUAL) was used to get favourable results.

The findings indicated that there are mainly two factors tangible and responsiveness. They both are resulted into service and quality. Satisfaction of the consumers depends on service and quality. Loyalty of consumers is productivity of satisfaction which they received in particular restaurant.

Hotels And Restaurant Industry

India has always been known for its rich diversity and food is embodied to be one of the core part of this diverse landscape. The changing demographics, increase in income, urbanisation is driving the F&B industry and is one of the most attractive investment.

A rising young population, along with a fast paced trend of eating out and experimenting various cuisines on frequent basis, has provided a plethora of growth opportunities for food service business in India. The Indian Food and Beverages (F&B) industry service industry is one of the most vibrant industries that has seen unprecedented growth in the year 2017 and continues to expand rapidly.

The Gross Value Added (GVA) by hotels and restaurants has witnessed an annual increase in both absolute and relative terms. It grew from INR 1084.2 billion in FY14 to INR 1211.7 billion in FY15. The restaurant industry is expected to contribute about 2.1 percent to the total GDP of India by 2021. The combined F&B service market is worth INR 201,438 Cr, growing at compound annual growth rate (CAGR) of 23-24% and is expected to touch INR 380,000 Cr by 2017.¹

Brands of both Indian and MNCs have started penetrating in the market and there is a large opportunity in this area to create a large opportunity to create bigger restaurant chains. The government through the Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments in the business. It has approved proposals for joint ventures (JV), foreign collaborations, industrial licenses, and 100 per cent export oriented units.

Recent Trends in Restaurant Industry

The restaurant industry is a growing business which keeps evolving and developing as per consumer

¹ Report on India's food service industry, KPMG, 2016.

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preferences. There are a number of factors that will cause existing restaurant trends to change and restaurateurs to keep innovating.

Food- Based Apps

Technology is evolving; people are becoming extremely tech savvy, and so the year is bound to see an increase in the use of table - reservation apps/food based apps. Customers will be able to book tables in advance.

Multi-Cuisine

India is a growing market where consumer preferences keep evolving. Indians today are well travelled, educated and savvy. They enjoy experimenting when it comes to food. Hence multi-cuisine is one big trend to watch out in the coming year.

Casual Dining

The restaurant industry in India is mainly driven by young population, which opts for casual dining even when they want to catch up with friends. Indian consumers are increasingly dining out, particularly in urban areas and urbanization, changing lifestyles and food preferences are giving impetus to the F&B industry. Customers trends are gradually moving from the fine dine to a more casual dining culture and the trend is expected to continue in the coming years.²

Literature Review

1. In order to understand how users perceived and assessed the quality of services, a study was developed in 1985 involving twelve focus groups. The analysis of **five dimensions** was demonstrated that users were using them as criteria for judging the quality of service, which was known as **SERVQUAL** model (**A.Parasuraman, 1985**).
- **Tangibility:** It is concerned with the physical facilities, equipment, personnel and materials that can be perceived by the five human senses.
- **Reliability:** It is the ability of the supplier to execute the service in a safe and efficient manner. It depicts the consistent performance, free of non-compliance, in which the user can trust. The supplier must comply with what was promised, without the need for rework.

- **Responsiveness:** This refers to the availability of the provider to attend voluntarily to users, providing a service in an attentive manner, with precision and speed of response. It concerns the availability of employees of the institution to assist users and provide the service promptly.
- **Assurance:** It is identified as the courtesy, knowledge of employees and their ability to convey trust.
- **Empathy:** related to whether the organization cares for the user and assists him in an individualized manner, referring to the ability to demonstrate interest and personal attention. Empathy includes accessibility, sensitivity and effort in understanding the needs of users.

This famous model from (**A.Parasuraman, 1985**) covers service and quality as factors for carrying out our research.

2. (**Syed saad, 2006**) talked about customer satisfaction which further talked about leads to loyalty of the consumer. Full service restaurants should focus on three elements - service quality (responsiveness), price, and food quality (reliability) - if customer satisfaction is to be treated as a strategic variable.

The regression model suggested that customer satisfaction was influenced most by responsiveness of the frontline employees, followed by price and food quality (in that order). Physical design and appearance of the restaurant did not have a significant effect.

3. (**Hagighi, 2012**) identified from his research that consumers' satisfaction had a great impact on his/her loyalty.
4. (**Kandampully, 2000**) an associate professor from university of Queensland, Australia in his findings said that hotel image and customer satisfaction with the performance of housekeeping, reception, food and beverage, and price are positively correlated to customer loyalty.
5. (**Clark, 1998**), in her findings suggested that the quality and range or type of food are key determinants in consumer loyalty, but that the

² Article from India retailing , Rohit Malhotra, 2017

concept of "quality of food" offers a range of interpretations and thus requires more careful investigation. Tangible rather than intangible factors are identified as being of greater importance in consumer loyalty.

6. **(Farouk Saleh, 2006)**, this study identifies the gaps between clients' expectations of the services being offered and management perception of attributes of the hotel.
7. **(Haemoon, 1999)** the author proposes a model of service quality, customer value, and customer satisfaction. It also provides a holistic approach to hospitality customers' post purchase decision-making process.
8. **(Qin & Prybutok, 2008)** here the author talks about developing a model where they measure service quality and customer satisfaction of fast-food restaurants through behavioural intentions.
9. **(Gronroose, 1984)** here the author proposes to develop a service quality model, based on test of a sample of business executives, which describes how the quality of services is perceived by customers and analyse its marketing implications.
10. **(Clark Kincaid, 2010)** The purpose of this paper is to evaluate the usefulness of the TANGSERV (tangible quality) scale by examining the effect of tangible quality constructs on restaurant patrons' affect and behavioural intentions.
11. **(Tam, 2010)** this study is designed to develop an understanding of the relationships among these variables like customer satisfaction, service quality and perceived value and their influence on post purchase behaviour.
12. **(Young Namkung, 2008)** this study aims to identify key quality attributes that significantly distinguish highly satisfied diners from non-highly satisfied diners.

Objective of Our Study

- 1) To study the service and quality variables.
- 2) To study the impact of service and quality on satisfaction.
- 3) To study the impact of satisfaction on loyalty.
- 4) To analyse consumers' satisfaction and loyalty for patronizing a restaurant in Anand and Vadodara.

Research Methodology

Primary data were collected through online Google forms questionnaire from 150 consumers residing in Anand and Vadodara. The data was collected in month of September 2017.

The first part of the questionnaire had questions related to their frequency, timings of visiting the restaurant. With whom and how much do they spend on food.

The second part had questions related to the SERVQUAL model.

The third part had questions related to consumers' satisfaction and loyalty.

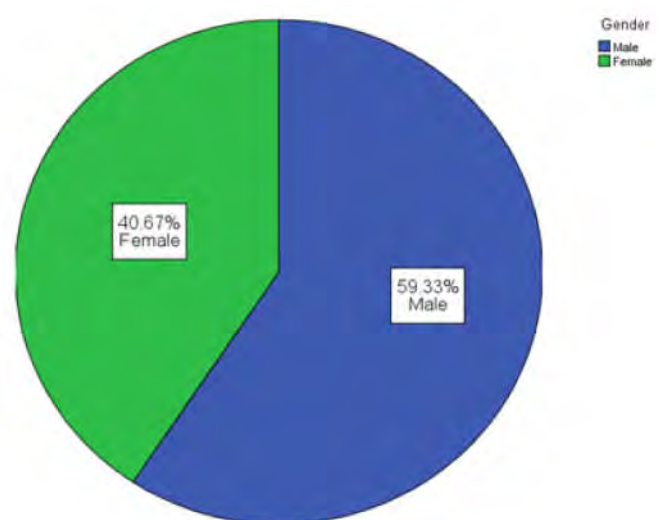
The fourth part had questions related to the importance for consumers' when they visit the restaurant and the final part of the questionnaire had personal details.

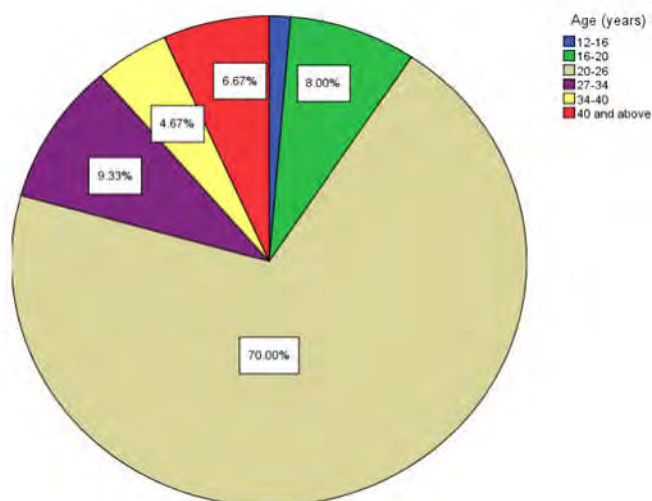
Data Analysis and results

Data from questionnaires received (n=150) were entered into IBM SPSS. The following sections the analysis of the data

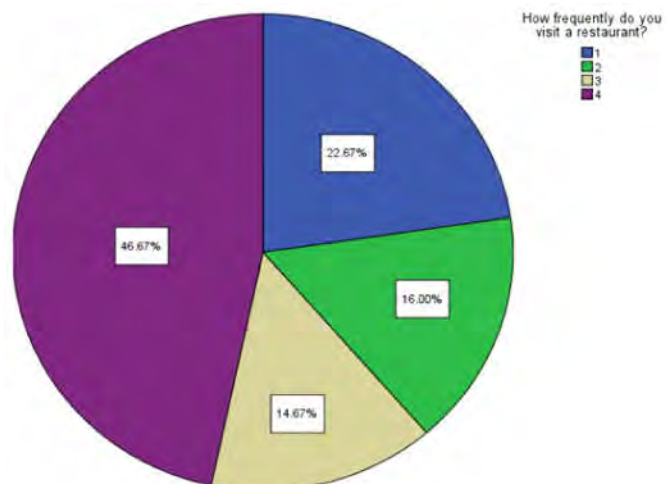
Demographic details of the respondents

Fifty nine percent (59.3%, 89/150) of the respondents were males while 40.7% (61/150) were females.

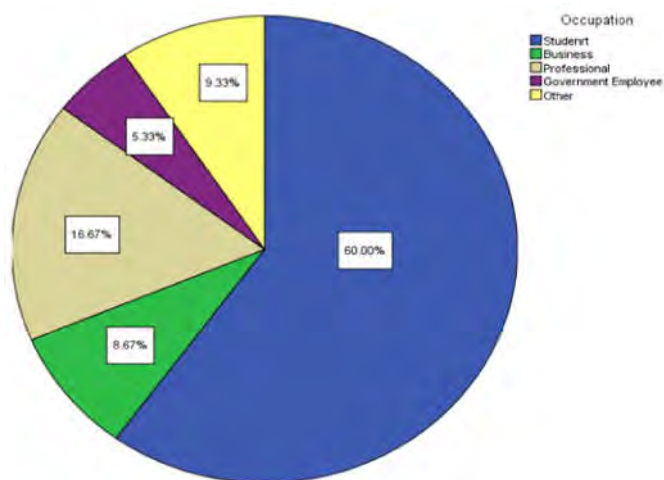




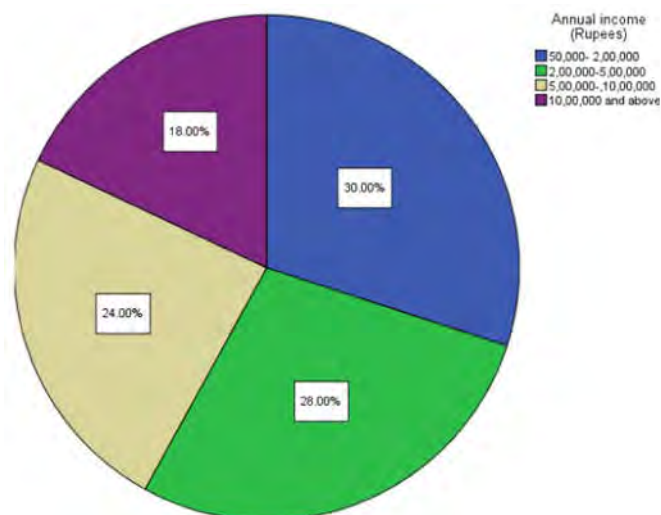
In the 12-16 years age group there were 1.33 % of the respondents. The 16-20 years age group there were 8 % of the respondents. The 20-26 years age group there were 70 % of the respondents. The 26-34 years age group there were 9.33 % of the respondents. The 34-40 years age group there were 4.67 % of the respondents. And above 40 years age group there were 5.67 % of the respondents.



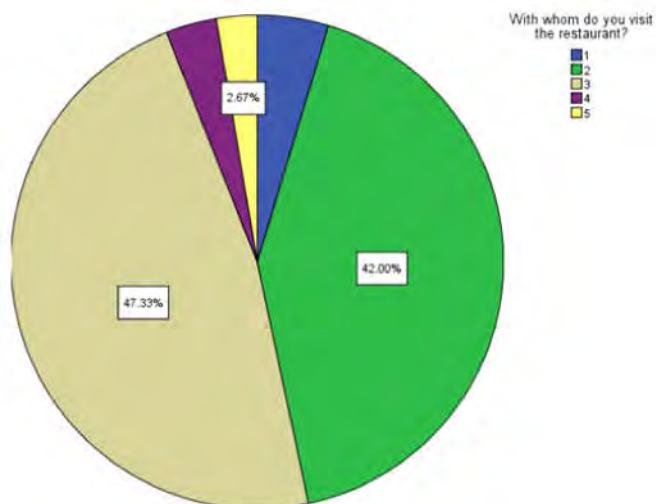
Twenty three percent 22.7% of the respondents visit restaurant once a week, 16% of the respondents visit twice a week, 14.7% of the respondents visit more than twice a weekday and highest 46.7% of the respondents visit once a month.



There were 60 % students, 8.67% respondents were connected with business, 16.67 % respondents were professional and 5.33 % respondents associated with government jobs.



Eighteen percent 18% of the respondents belonged to high income slab (earning 10, 00,000 and above per year), 30% of the respondents were in the low income slab (50,000-2, 00,000 per year). Other respondents fell in the 2, 00,000-5, 00,000 slab (28%), and the 5, 00,000-10, 00,000 slab (24%).



Highest 47.3% of the respondents visit restaurants with friends, followed by 42% respondents visit restaurants with family, 4.7% respondents visit restaurants alone. The 3.3% respondents visit restaurants with colleagues and 2.7% respondents visit restaurants with a large group.

Hypothesis testing: t-Test and ANOVA computations

H_{01} : There is no significant difference in the perception of male and female consumers in respect of the attributes of satisfaction.

H_{02} : There is no significant difference in the perception consumers in respect of the attributes of satisfaction across different age group.

H_{03} : There is no significant difference in the perception consumers in respect of the attributes of satisfaction across different occupations.

H_{04} : There is no significant difference in the perception consumers in respect of the attributes of satisfaction across income groups.

H_{05} : There is no significant difference in the perception of male and female consumers in respect of the attributes of loyalty.

H_{06} : There is no significant difference in the perception consumers in respect of the attributes of loyalty across different age group.

H_{07} : There is no significant difference in the perception consumers in respect of the attributes of loyalty across different occupations.

H_{08} : There is no significant difference in the perception consumers in respect of the attributes of loyalty across income groups.

Table 1: t - test computations

Attributes	t	df	Sig (2-tailed)	Mean difference	95% confidence interval of the difference	
					Lower	Upper
Satisfaction	1.071	148	0.286	0.20266	-0.17114	0.57646
Loyalty	1.406	148	0.162	0.23038	-0.09353	0.55430

(Note: Composite average values have been taken out for attributes of satisfaction and loyalty to perform the tests)

The P value is the significant value and P value of 0.05, is the cut-off value for acceptance or rejection of the null hypotheses. If the value is lower than 0.05, the null hypothesis is rejected and if the value is higher then, it is accepted. Based on the significance value (0.286), we accept the null hypothesis H_{01} . This conclusion supports that both male and female consumers feel the same about satisfaction attributes.

The hypothesis H_{05} is also accepted as the significance value is 0.162, which means that both male and female consumers feel the same about loyalty attributes.

Table 2: Computation of ANOVA on the basis of age, occupation and annual income with satisfaction attributes

	Sum of squares	df	Mean square	F	Sig.
Age	8.271	16	0.517	0.521	0.932
Occupation	30.268	16	1.892	1.038	0.422
Annual income	27.045	16	1.690	1.514	0.103

The Table 2 shows no significance difference in the perception of respondents of different age groups in respect of the attributes of satisfaction. Thus, we accept the null hypothesis H_{02} . This indicates that irrespective of the age of the customers, they perceive satisfaction attributes as the same.

The Table 2 shows no significance difference in the perception of respondents of different occupations in respect of the attributes of satisfaction. Thus, we accept

the null hypothesis H_{03} . This indicates that irrespective of the occupations of the customers, they perceive satisfaction attributes as the same.

The Table 2 also shows no significance difference in the perception of respondents of different income groups in respect of the attributes of satisfaction. Thus, we accept the null hypothesis H_{04} . This indicates that irrespective of the incomes of the customers, they perceive satisfaction attributes as the same.

Table 3: Computation of ANOVA on the basis of age, occupation and annual income with loyalty attributes

	Sum of squares	df	Mean square	F	Sig.
Age	12.177	16	0.761	0.790	0.694
Occupation	40.682	16	1.892	1.038	0.422
Annual income	16.783	16	1.049	0.879	0.594

The Table 3 shows no significance difference in the perception of respondents of different age groups in respect of the attributes of loyalty. Thus, we accept the null hypothesis H_{06} . This indicates that irrespective of the age of the customers, they perceive loyalty attributes as the same.

The Table 3 shows no significance difference in the perception of respondents of different occupations in respect of the attributes of loyalty. Thus, we accept the null hypothesis H_{07} . This indicates that irrespective of the occupations of the customers, they perceive loyalty attributes as the same.

The Table 3 also shows no significance difference in the perception of respondents of different income groups in respect of the attributes of loyalty. Thus, we accept the null hypothesis H_{08} . This indicates that irrespective of the incomes of the customers, they perceive loyalty attributes as the same.

Factor Analysis

Multivariate data analysis was done to examine the responses of consumers. The responses of 150 respondents to 21 statements, measured on a five point likert scale and subjected to factor analysis are shown below:

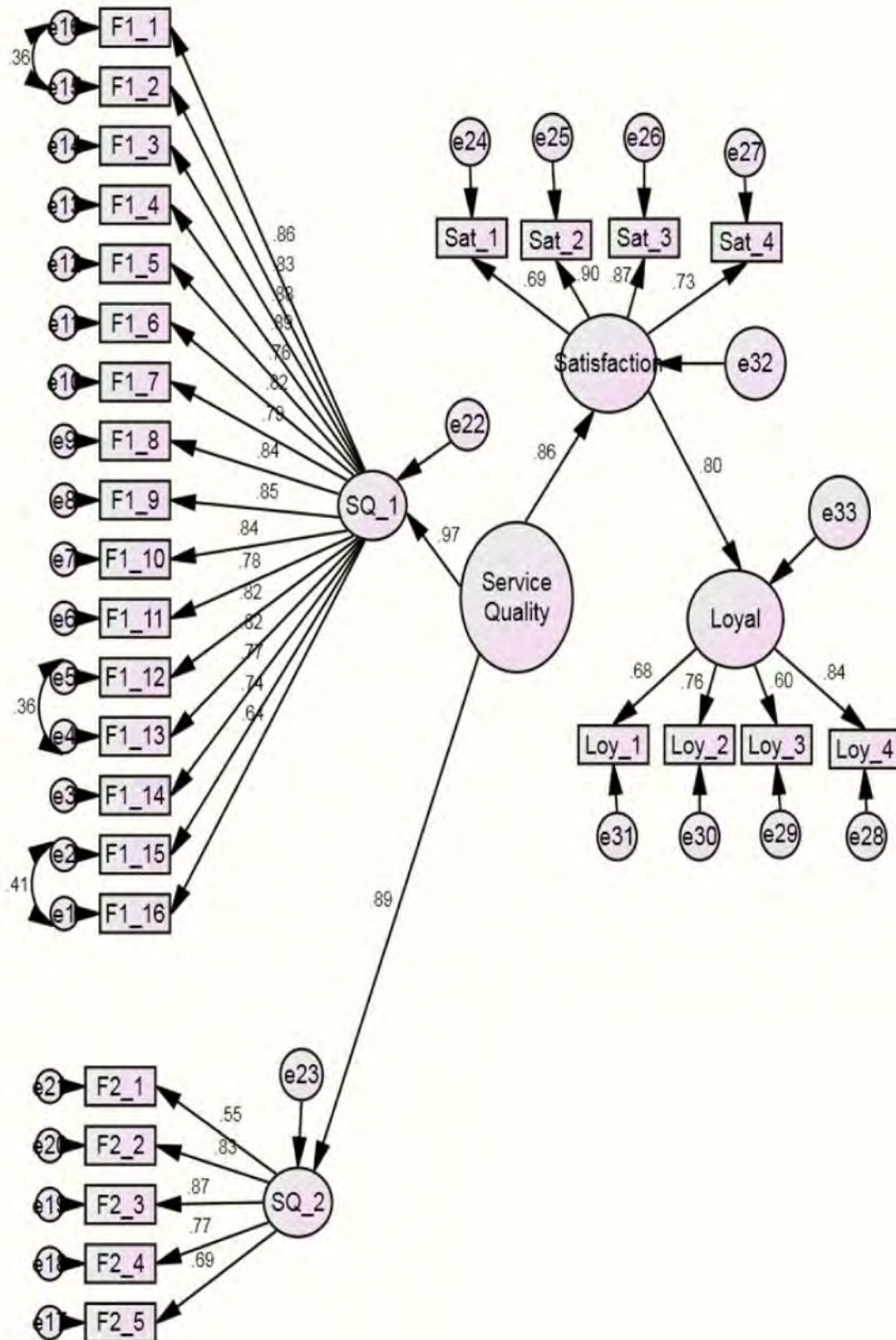
Table 4: Principal component analysis with Varimax rotation

Factor number	Name of SERVQUAL dimension	% of variance	Label	Statement	Factor loadings
Factor 1	Responsiveness	44.05%	F1_13	Reassuring when problem arise	0.635
			F1_12	Provide their services as they promised	0.666
			F1_15	Should keep accurate records	0.566
			F1_16	Dependable	0.506
			F1_10	Inform customers when services will occur	0.739
			F1_1	Immediate response to customers demand	0.824
			F1_4	Staff responds to request	0.798
			F1_2	Prompt services from staff	0.817
			F1_14	Personals should be consequently courteous	0.612
			F1_3	Personals having knowledge about customer queries	0.808
			F1_5	Customers should feel safe with the staff	0.790
			F1_6	The staff should get adequate support to do their work well	0.787
			F1_8	Operating hours are convenient to customers	0.761
			F1_7	Restaurant giving special attention to customers	0.769
			F1_11	Staff giving individual attention to customers	0.738
			F1_9	Restaurant understanding speci?c needs of customers	0.750
Factor 2	Tangibility	24.10%	F2_5	Up to date equipment	0.649
			F2_2	Visually appealing facilities	0.694
			F2_3	Facilities consistent with the type of service provided	0.675
			F2_1	Well dressed employees	0.821
			F2_4	Respond with time frame	0.664

(KMO of measure of sampling adequacy: 0.962)

Principal component analysis was employed for extracting two factors as shown in Table 4. Both factors having the Eigen values greater than unity were selected. The cut off point for significant factor loadings is taken to be 0.50

Hypothesis testing through Structural Equation Modelling (SEM)



Standardized Regression Weights: (Group number 1 - Default model)

		Estimate
Satisfaction	<--- Service_Quality	.859
SQ_1	<--- Service_Quality	.971
SQ_2	<--- Service_Quality	.887
Loyal	<--- Satisfaction	.801
F1_16	<--- SQ_1	.641
F1_15	<--- SQ_1	.741
F1_14	<--- SQ_1	.769
F1_13	<--- SQ_1	.818
F1_12	<--- SQ_1	.824
F1_11	<--- SQ_1	.783
F1_10	<--- SQ_1	.844
F1_9	<--- SQ_1	.850
F1_8	<--- SQ_1	.836
F1_7	<--- SQ_1	.792
F1_6	<--- SQ_1	.819
F1_5	<--- SQ_1	.759
F1_4	<--- SQ_1	.887
F1_3	<--- SQ_1	.876
F1_2	<--- SQ_1	.831
F1_1	<--- SQ_1	.860
F2_5	<--- SQ_2	.689
F2_4	<--- SQ_2	.775
F2_3	<--- SQ_2	.868
F2_2	<--- SQ_2	.827
F2_1	<--- SQ_2	.552
Sat_1	<--- Satisfaction	.686
Sat_2	<--- Satisfaction	.900
Sat_3	<--- Satisfaction	.868
Sat_4	<--- Satisfaction	.731
Loy_4	<--- Loyal	.839
Loy_3	<--- Loyal	.596
Loy_2	<--- Loyal	.759
Loy_1	<--- Loyal	.682

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	65	742.098	370	.000	2.006
Saturated model	435	.000	0		
Independence model	29	4169.144	406	.000	10.269

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.089	.755	.712	.642
Saturated model	.000	1.000		
Independence model	.841	.105	.041	.098

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.822	.805	.902	.891	.901
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.911	.749	.821
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	372.098	298.306	453.666
Saturated model	.000	.000	.000
Independence model	3763.144	3559.544	3974.058

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	4.981	2.497	2.002	3.045
Saturated model	.000	.000	.000	.000
Independence model	27.981	25.256	23.890	26.672

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.082	.074	.091	.000
Independence model	.249	.243	.256	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	872.098	904.871	1067.789	1132.789
Saturated model	870.000	1089.328	2179.626	2614.626
Independence model	4227.144	4241.765	4314.452	4343.452

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	5.853	5.358	6.400	6.073
Saturated model	5.839	5.839	5.839	7.311
Independence model	28.370	27.004	29.786	28.468

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	84	88
Independence model	17	17

Minimization: .031

Miscellaneous: 1.104

Bootstrap: .000

Total: 1.135

Conclusion

To conclude, the study found that service-quality leads to satisfaction, and satisfaction further leads to loyalty of the consumer for patronizing a particular restaurant.

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Impact of Honorable PM Narendra Modi Speeches on Stock Exchange

Dhaval Maheta*

Abstract

In communication "Speech" is considered to be vocalized form. Our Honorable Prime Minister Shri Narendra Modi is one among the politicians with great public speaking skills. His powerful speech delivery skills along with apt answering abilities are truly praiseworthy. If compared to his contemporaries, Modi's public speeches are commendable. Rarely does he carry a chit or paper for reference, his speeches are usually neatly crafted and delivered without any glitches or annoying pauses. This paper analyzes the speech delivered by our Honorable Prime Minister on various occasion and its effect on stock market

Key Words: Anomaly, Efficient Market Hypothesis, Modi Effect

Introduction

Through numerous studies on 'January Effect', 'Monday Effect', 'Weekend Effect', 'October Effect', 'Calendar Effect' and so on, stock market experts are familiar with the manner in which expectations, emotions and sentiment can affect stock market performance. In this paper we have tried to study a new 'Modi Effect' which could be a case study of considerable interest for behavioural finance believers. It shows how a directional change was brought into the Indian stock markets, which were see-sawing under the uncertainty of how the impending electoral verdict may impact the future of the Indian economy, and the perception that leadership change could be beneficial.

The major mover in this case is a common man, Narendra Modi, who connects himself to the economically disadvantaged in India. His is an inspirational story of a man raised with limited financial resources, who worked his way up the hierarchy to provide exemplary leadership to Gujarat for some decades, with his vision, commitment, diligence and charisma. Narendra Modi created a record in Indian political history, with around 5,385 public appearances that include rallies, TV interviews, conclaves, chai pecharchas etc. He travelled over 3,00,000 kilo meters and addressed 440 large rallies. The Efficient Market Hypothesis states that financial markets are "informationally efficient". Fama (1960) developed the Efficient market hypothesis (EMH). According to this hypothesis it is not possible to have exceptional gains from stock market as the current prices reflects all the information which is available in public domain. It believes

that all the investors are rational and markets are efficient. The supporters of this model believe that it is not possible to search for undervalued stocks or try to predict trends in the market through fundamental analysis or technical analysis. As per this hypothesis, rational and efficient markets cannot be predicted. The positive sentiments and emotion-led expectations created by Modi brought in euphoria that helped to make the Indian stock markets the best performing markets in the world.

The 2014 Poll Campaign of BJP began with Modi being declared the Prime Ministerial candidate on September 13, 2013. Through the BJP's campaign, a combination of many issues that added to the Euphoria in the stock markets are presented in the 'Event Box' below. The euphoria was so intensive that on the 'Victory Day' May 16, 2014, the NSE Nifty Index touched an intraday high of 7,552.60 and closed the day at 7,203 with a gain of 1.12% and a record turnover of Rs. 21,057.07, highest ever turnover on the NSE since its inception.

Apart from value appreciation and increase in turnover, the 'Modi Effect' also brought in stability and provided positive direction to the stock markets of India. During 2013, since Modi was declared BJP's Prime Ministerial candidate, the NSE Nifty Index recorded 7.77% of the total price return of 8.12%, and the volatility reduced to 9.1% from 17.96% for the entire year. Similarly, the direction of the market changed from a negative 5.7% skewness for the entire year to a positive 69.62%. The markets continued to remain bullish (positive skewness of 46.39%) with a record gain of 13.49% in NSE Nifty,

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with further lower volatility of 7.75% during 2014 until the Victory Day- May 16, 2014.

As of now, the stock markets at least have given a thumbs-up to Modi and the BJP. Now it is time for Modi and BJP to live up to the expectations and win the trust of the people of India. If they succeed in doing so, we can expect a strong bullish trend going ahead, as reflected in the technical signals of long-term valuation trends and dividend yields presented below

LITERATURE REVIEW

Levy (2002) states that event anomalies are price changes when some easily identified event such as an announcement of company have been published. The event anomalies can be examined by event study that will be discussed later. Apart from post-earnings-announcement drift and momentum, another important event anomaly is recommendations from analysts. The more analysts recommend a stock, the more likely the stock price will fall in the near future (Levy, 2002). It is because when analysts find an undervalued stock and recommend it to investors, after investors buy the stock the price is driven up. As more and more investors buy this stock, the price goes even higher. Price will continue to go up until analysts change their buy recommendations to sell recommendations, and then price falls subsequently. Investors will be considered as irrational. Fama (1998) points out there are two anomalies still challenge to asset pricing and market efficiency, one is post-earnings-announcement drift and other is earnings momentum. Both price-earnings-announcement drift and momentum have been doubts by efficient market hypothesis over past few decades. All studies that examine these anomalies take into account transaction costs. In momentum and price-earning-announcement drift portfolio, winners and losers (momentum) and good news firms and bad news firms (price-earnings-announcement drift) represent the highest abnormal return after they are formed (Moskowitz and Grinblatt, 1999). Mohanty (2004) examined the stock price reaction to announcement of various policy issues by Government of India. The study covered three industries, viz. the telecom sector, the banking and financing sector and the pharmaceutical sector. He used the event study methodology to assess the speed and accuracy of stock price reaction to public announcement. The results show that the stocks generally react to public news quite quickly, but the first adjustment is not always the correct one. There is also a mild evidence of presence

of learning lag. Mukherjee & Roy (2011) studied the nature and determinants of investments by institutional investors in the Indian stock market and it focused on finding out the factors which govern the investment patterns of two institutional investors in the Indian equity market – FIIs and mutual funds. The basic premise is that the investment behavior is driven by portfolio diversification as well as expectation formation pattern. It was found that investment decision of FIIs are significantly influenced by MFs. Investment pattern of FIIs is opposite of what MFs do in the equity market. Further, while investing in equity, MFs do not track equity return or volatility, but FIIs do track the previous day's equity return as well as volatility. Both track domestic and international interest rates for investment. Dharani and Natarajan (2010) find that there is no day effect during the study period but they find monthly seasonal anomalies in Nifty Shariah Index and conclude that the seasonal variation exists very much in Shariah Index. Bondt et al (1985) conclude that most people 'overreact' to unexpected and dramatic news events and question the efficiency of the market. Patel (2008) identified two separate calendar effects. First, Nov-Dec effect generating positive higher return and Second Mar-to-May effect generating low return. Watchel (1942) found that stock market returns are abnormally high on Fridays and abnormally low on Mondays. Hussain (1998) studied the Ramadan effect on Pakistan's stock market and found that there is less volatility during the Ramadan effect. Dash et al (2011) studied a month-of-the-year effect in Indian stock markets found positive November, August, and December effects, and a negative March effect. Exchange and conclude non existence of this calendar effect in the Malaysian stock market. Rozeff and Kinney (1967) discovered the January effect. Agrawal and Tandon (1994) examine five seasonal patterns The week, turn of the month effect, end of the December, monthly, and Friday- thirteenth effect in eighteen stock market. Kaur (2004) examine the day-of-the-week effect and the monthly effect in Sensex and CNX Nifty. Whereas Sarma (2004) investigated the BSE 30, the BSE 100, and the BSE 200 stock Indices to detect the day-of-the-week effect Bodla and Jindal (2006) found monthly effect in S&P CNX Nifty Index for the period January 1998 to August 2005. Umesh (2012) concludes the evidence of Diwali effect in Indian stock market. Seyyed et al (2005) studied the Ramadan effect in Saudi Arabia's stock market. Chan et al (1996) found the Chinese New Year effect in Chinese stock Market.

McGowan and Jakob (2010) test the Eid al-Fitr Calendar Effect for the Syariah Index of the Kuala Lumpur Stock.

OBJECTIVE OF THE STUDY

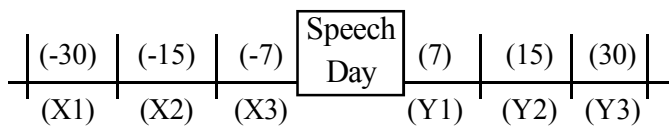
The main objective of this study is to empirically test the effect of our Honourable PM Speech on the mean daily return of the selected indices of the stock market. The main reason for selection for BSE SENSEX is that it is the oldest stock index. Daily return series were generated from closing prices. The average returns during a period have been derived from averaging logarithmic differences of closing prices of two successive trading days. The log value of returns has been used because it has the advantage of symmetry while measuring any rise or fall of numbers vis-à-vis the usual percentage method. The mathematical calculation for two return series areas follows

$$R_t = \log \frac{V_t}{V_{t-1}} * 100$$

Where R_t is the rate of return, V_t and V_{t-1} are the closing values of Sensex on a particular day (t) and its previous day (t-1) respectively. The pre visit and post visit daily return are arranged for three years respectively for seven, fifteen and thirty days. The researcher used Paired sample t test: to analyze speech effect through comparison of mean return before and after visit for different period. The study has used the statistical techniques of paired t-test and F-test on average returns and variance in returns respectively over different periods around the visit. This test helps to find out the before-visit and after-speech on Sensex. The period of study has been segregated into short-term (7 trading days), medium-term (15 trading days) and long-term periods (30 trading days) both before and after the visit. These periods can be pictorially represented as

DATA ANALYSIS

Speech	Days	P-Value	Null Hypothesis
Independence Day Speech [August 15, 2014]	7 days	0.043	Reject
Highlights: Social Inclusion, Digital India, E Governance, Gram	15 days	0.000	Reject
Yojana, Make in India	30 days	0.005	Reject
Dubai Speech [August 17, 2015]	7 days	0.007	Reject
Highlights: Terrorism, Political Bonds, Business Opportunities	15 days	0.250	Fail to Reject
	30 days	0.523	Fail to Reject
London Speech [November 12, 2015]	7 days	0.000	Reject
Highlights: Foreign Direct Investment, Infrastructure	15 days	0.000	Reject
Development, Direct flight from London to India	30 days	0.000	Reject
Start Up Speech [January 16, 2016]	7 days	0.000	Reject
Highlights: 80% reduction in fee for start ups, dedicated	15 days	0.000	Reject
Rs. 10,000 crore funds for start ups, 3-year income tax holiday	30 days	0.000	Reject
Economic Times Global Summit [January 29, 2016]	7 days	0.366	Fail to Reject
Highlights: Fastest Growing Economy, Huge thrust on	15 days	0.967	Fail to Reject
Infrastructure, corporate taxes, Ease of doing business	30 days	0.503	Fail to Reject
Make In India Speech [September 25, 2014]	7 days	0.000	Reject
Highlights: Making India manufacturing hub, promoting	15 days	0.000	Reject
India as a manufacturing hub	30 days	0.000	Reject
Brussels Speech [March 30, 2016]	7 days	0.067	Fail to Reject
Highlights: Terrorism, Campaign of Gas Subsidy, Output of	15 days	0.000	Reject
Coal, Increase in production of electricity	30 days	0.000	Reject



HYPOTHESIS OF THE STUDY

H0: There is no significant effect of Honourable PM Speech on the mean return of stock indices before and after the visit.

H1: The alternative hypothesis is that the mean returns during the next seven, fifteen and thirty trading days are more than that during the previous seven, fifteen and thirty trading days for all speeches.

DATA COLLECTION

Primary and Secondary Data used in this study have been taken from various sources. The daily stock prices have been collected from Capitaline database. The researcher in this study uses closing prices of the Bombay Stock Exchange (BSE) SENSEX from January 2014 to January 2017. The data was acquired from respective official portal of the stock exchanges.

FINDINGS AND CONCLUSIONS

1. The Speeches which have all short term (7 days), medium term (15 days) and long term (30 days) effects on mean return of SENSEX are Independence Day Speech [August 15, 2014], London Speech [November, 2015], Startup Speech [January 16, 2016], Make in India Speech [September 25, 2014].
2. The Speech which did not have any effect on mean return of SENSEX are Economic Times Global Summit [January 29, 2016].
3. The Speeches which have only medium and long term effect on mean return of SENSEX are Dubai Speech [August 17, 2015].
4. The Speech which have only short term on mean return of SENSEX are Brussels Speech [March 30, 2016]

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A Study on Parents' Perception towards Co-Curricular Activity as Career Option

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Abstract

Co-curricular activities (CCA) are not considered merely as a fun activity in recent times. Academics and CCA both are equally important for overall development of a child, but converting an activity as a career option is still a tough decision for parents. The present research is to study the perception and awareness level among parents and guardians for choosing CCA as a career option for their child.

The research is conducted in Vadodara and Anand region. The study reveals that 97% of people want their child to participate in CCA and more than 69% would like to choose the activity as a career option. This research examines the factors influencing people's perception towards choosing CCA as a career option for their child. For this SPSS software is used for Factor Analysis. The dependent variables were represented by factors namely Building positive character traits, Environmental gain for child, Change in point of views, Concern regarding facilities, Influence of family's interest, The science of doing best, Digitalization & modernization and Required inputs & results. The independent variables were the demographic profiles of respondents namely gender, educational background, monthly income, age and occupation.

A structured questionnaire was distributed to a sample of 160 people who reside in Anand and Vadodara city.

Key words: Perception, Co-curricular activities, awareness, career option, Factors.

Introduction

Education is not associated with only Reading, Writing and Arithmetic. It is also about the integrated development of the individual's personality; his physical abilities, cultural influences, social background, mental and emotional conditioning. Secondary Education Commission in 1954 stated that they would like the schools to check if it can provide a variety of activities which can develop children's entire personality.

It is extremely difficult to focus on the development of the whole man without the aid of Co-curricular activities. Changing in the philosophical and psychological ideology of the schools have now given the new direction for formation of new curriculum which can include extra activities along with the formal subject curriculum.

Philosophical ideas changed aims of education, now the need of the hour is to aim at developing those individuals who can intelligently and amicably engage in various tasks of life. The Orthodox curriculum has failed multiple times to meet the demand of the changing scenario of education. The co-curricular activities are a convenient tool by which a lacking curriculum should be modified.

Apart from that a consideration of psychological factors which enable us to give more and more weightage to understand diversities of the children and also to provide proper set of activities through which children can channelize their energies. Thus extra co-curricular activities help children in this regards.

Education nowadays is more related to 7 R's i.e. Reading, Writing, Arithmetic, Rights, Responsibilities, Recreation and Relationships. The main characteristics of the changing education system are Learning by doing, living & without burden.

The 'Art of living' is broad concept than gaining just knowledge; however, it is planned intelligently. It includes preparing to make habit and graces of social life and ability of a person to work collectively in the group. It requires patience, sincerity, the locus of life, discipline.

The teenage is the age when teen looks for the career options for future. There are several factors that influence child's career choices like an amount of time parents spend with child, family environment, preference of parent's choice about career options, etc. these factors affect in both ways positively as well as negatively. Parents are having the ability to shape the child's future as per

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their own desire & interest or as per child's desire and interest.

(VARGAS-BENITEZ, 2017) in their article stated that there are certain things which influences the child's selection for particular career option which are as below.

Exposure to Desired Fields

Nowadays in the digital era, a child should encourage to talk freely with their parents about anything they like to communicate. As the world is becoming more open for the upcoming generation, a child may want to follow the parents' path or want to opt for the completely different horizon in a career. It is being observed that open relationship with parents gives an opportunity to a child for exploring various career options.

Today parents have to encourage their child by introducing them to friends, colleagues or other relatives who have followed the career path which their child wants to follow. Encouraging child to communicate their thinking gives the opportunity to parents to develop a good network that might help their child in future.

Family Dynamic Influence

Family dynamics plays a major role in the selection of career option by child. As many studies have found that a positive, happy and flourishing environment in home affects the child to choose the career option which he or she feels best for him or her. In contrast to this, if the environment is not so positive and going from bad phase then it may affect child's decision negatively which may result into frustration, anxiety, stress, etc. for child.

Self-Identity

While the child enters into teenage, insecurities start to develop in their mind while he or she trying to figure out whom he/she is and what he/she wants to do in life. This is the time when parents are the most important influences that a child can have. A child with strong self-confidence and firm foundation may readily able to find out about his/her strengths and may learn how to turn them into a career.

In oppose to this, a child with lots of insecurities and unstable foundation may end up messing his/her life. Parents must make their children realise their strengths and weaknesses and how they will affect the career option that they want to choose. For instance, if child wants to

take up his career in music, then parents should make their child aware that choosing career in music needs high dedication, regular practice and patience.

Interest in Teen Activities

Parental interest in their children activities is the best way by which they can affect their children's career choices. When parents start taking interest in the activity that their children have opt for, it boosts the children's involvement in that particular field. For instance, if child want to learn guitar and if parents attends all the performances on stage as well as his/her practice session, child is more likely to pursue excellence in that activity.

Problem Statement

Under tremendous pressure from parents to choose the career that they think important to succeed in life, many students are making bad career choices which don't match with their personalities. Despite the potential in offbeat and unconventional courses, most children are forced by their parents to take up the routine subjects of engineering, medicine and law as they offer a 'financially safe' future.

The problem, according to many consultant psychologists, is that parents are unwilling to accept new and different options. Parents, across all income groups, are petrified about letting their child do anything less than engineering or other conventional courses.

There is awareness about the new horizons that are rising in career options, but acceptability is still a big concern. Even today arts are considering as not cup of tea for science students although it offers interesting and highly paid career options. Out-of-the-box thinking is need of the hour and parents should allow their child to dream and desire what they want to be.

Parental pressure on children's career choices very dominates across income groups. The number of children who suffer due to unfavourable subject selection is increasing year by year. Children often opt for subjects of their parents' choice to make them happy.

There is tremendous scope in new, unconventional courses and offbeat subjects that may pay well. Acceptability of newer options is very less but nowadays the perception is little bit changing after digital revolution, many offbeat options have opened their doors for the students to opt for and parents also understanding this new change.

So, we need to understand what are perception prevailing in guardians' mind that allow or deny their child to opt for non-conventional career options in Vadodara, Anand Cities.

Importance of the Study

In India, we are not having any solid growth in the field of non-conventional careers. Formal career option is given much importance than offbeat ones. There is lack of time, finance, and awareness level for parents, which pull them back from opting offbeat career for their child. Only a few institutions are available and much needed growth is there in this area. If special attention is given to such career option, then many talents can be emerged. Many foreign researchers have demonstrated the importance of such studies. Hence it is important to identify the hidden talent by promoting such offbeat career options.

Review of Literature

(Ho, 2011) in his study concluded that children's development of interests and their participation in musical instrument learning can be initiated, facilitated, constrained or shaped by parents if they do take keen interest in the children's learning. The study shows that most of the parents may have higher expectations of their child's formal education and thus they spend more time helping them in doing some academic work. Parents' interest in child's music learning generally grows in terms of child's academic achievements and career growth. The teachers, music educators and parents should keep one thing in mind that parents' interest in the child's activity affects their child's learning, attitude and behaviour patterns.

Parents' involvement is not only limited to giving attention to their child's activity only, but it is also including good parenting at home, providing stable and peaceful environment. Parents should also regularly maintain contact with the tutors for monitoring child's progress, strengths, weaknesses and opportunities.

(JOAQUIN REVERTER MASIÀ et al., 2013) in their research, there is a close relationship between school children and parents' participation pattern in physical and sports activities.

Parents must be made aware that their participation in encouraging sports habit among their daughters is inevitable and the study also reveals that if parents don't take interest in such activities then daughter

may think particular activity as not so important. The responsibility with which parents associate themselves is the dispositional factor of primary importance given when designing strategy to encourage their daughters.

The encouragement strategy should have foundation on a well-coordinated interest of the school, peer group members, co-curricular activities and parents themselves. Inactive behaviour starts when the child reaches age of 11-12 years and this behaviour reaches to alarming levels thus resulting in resistance towards parents' influences. Thus developing skills through extra-curricular activities must be started at the early school age.

(Wilson, 2009) In her study that it is very important to consider the benefit that the other activities can provide than academics whenever child is looking at variety of out-of-school options. It is also found that if a child's participation increases in voluntary, school-based, extracurricular activities then school participation and achievements also increases. This occurs because such activities facilitates in acquiring interpersonal skills, associating among pro-social groups and stronger emotional & social connection. The participation may also contribute to enhance mental health, students' engagement in school and achievements which finally results into strengthening of relation with school and solving personal problems & anxiety.

(CLUTTER, 2010) in his study stated that career counselling and family therapy are very much interrelated and additional research from both these discipline will improve both practices. Study concluded that students find it difficult to choose occupation if the parents influences is not removed from it. Simultaneously, the young adult who tries to make his or her own career choice will also impact his or her family. So it is necessity of counsellor to understand not only cultural values but also the multiple context in which he or she lives in society and how society helps him or her to frame opportunities for and barriers to success.

(Alphonse, 2016) in his study concluded that parental factors impact on the selection of career choice of students. The study also revealed that high parental educational level has deep effect on the career selection of child. The study also gets the finding that mother's education level impacts more on selection than father's education level. In addition, the study also concluded that students tend to choose careers that are not similar to

that of their parents, close relatives and siblings. The study revealed that father's occupation impacts more than mother's occupation in selection. Also study found that there is no significant relation between the socio- economic status of parents and the students' career choice.

(Sánchez-Miguel et al., 2013) in their study revealed that there is positive and significant relationship between child's motivational climates and their parents' motivational climates. The main conclusion of the study was that if child is to be motivated and wanted to increase child's enjoyment of sports, then it is necessity to promote parents' supportive behaviours. The involvement of parents in their child's school sports along with lower parent's pressure resulting in decreasing the child's competitiveness and the emphasis on victory.

Objectives

The objectives of this research are:

- To determine available options in non- conventional career.
- To determine popularity of different co- curricular activities those are present since long time.
- To determine influencing factors that affects the perception of parents towards co-curricular activity as career option.
- To determine awareness level among guardians towards non-conventional career.
- To determine the functions that can predict the behaviour of parents for selection of co- curricular activity as career option.

(Sánchez-Miguel et al., 2013) in their study revealed that there is positive and significant relationship between child's motivational climates and their parents' motivational climates. The main conclusion of the study was that if child is to be motivated and wanted to increase child's enjoyment of sports, then it is necessity to promote parents' supportive behaviours. The involvement of parents in their child's school sports along with lower parent's pressure resulting in decreasing the child's competitiveness and the emphasis on victory.

Research Methodology

Type of research: An exploratory research was conducted in order to gain insight in to Parents' Perception towards Co-curricular Activity as a Career Option.

Data Collection Method: In this research, primary data as well as secondary data was collected. To collect the primary data, a communication study was conducted. The parents from different areas of Vadodara and Anand were interviewed and were requested to fill in the questionnaire in order to determine their response for their perception towards co-curricular activity as a career option.

Sampling Size: 160 Parents

Sampling Technique: A survey was carried out following non- probabilistic convenience sampling for this research.

Limitations of the study:

- This research only covers the respondents from Vadodara and Anand city.
- Due to time and resource constraint, the sampling size is limited to only 160 Parents.
- There is very little research work is being done on this topic so finding good reference from literature is difficult.
- Due to word count limitation, all the literature review and analysis cannot be shown in this research paper.

Data Analysis (Statistical Calculations)*

Table 1: Frequencies and Percentage of Demographic Profile of respondents

Factor	Particular	Frequency	Count	Percentage
City	Vadodara	160	114	71.2
	Anand		46	28.8
Respondent Relation	Mother	160	76	47.5
	Father		77	48.1
	Guardian		7	4.4
Education Background	Non-graduate	160	21	13.1
	Graduate		83	51.2
	Masters		44	27.5
	Ph.D.		12	7.5
Occupation	Government Employee	160	29	18.1
	Private Job		78	48.8
	Business		20	12.5
	Other		32	20.1
Age	20-30	160	22	13.8
	30-40		65	40.6
	40-50		51	31.9
	More than 50		22	13.8
Monthly Income	0-20000	160	18	11.2
	20000-40000		42	26.2
	40000-60000		35	21.9
	60000-80000		19	11.9
	More than 80000		41	25.6
	Not Disclosed		5	3.1
No. of Child	1	160	62	38.8
	2		86	53.8
	3		10	6.2
	4 or more		2	1.2

Table 2: Popularity of activity among parents regarding co-curricular activities

Activity	Frequency	Count	Percentage
Dancing	160	64	40
Singing	160	64	40
Sports	160	122	76.2
Art	160	67	41.9

Table 5: Reliability Test for Factor Analysis

Reliability Statistics	
Cronbach's Alpha	N of Items
.913	38

Table 3: Awareness about the emerging career options

Particulars	Frequency	Count	Percentage
Stand Up Comedy	160	75	46.9
D-Jing/R-Jing	160	46	28.8
Chef	160	93	58.1
Youtube Channel	160	93	58.1
Fitness Expert	160	89	55.6
Photographer	160	118	73.7

Table 4: Sampling Adequacy and Sphericity Test For Factor Analysis

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.836
Bartlett's Test of Sphericity	Approx. Chi-Square	2864.935
	Df	703
	Sig.	.000

Table 6: Reliability Analysis

Item-Total Statistics				
Statement No	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
1	145.8378	289.280	.579	.910
2	146.2432	283.968	.651	.908
3	146.0541	285.657	.630	.909
4	146.1892	284.427	.627	.909
5	146.2297	288.559	.427	.911
6	146.7703	284.369	.421	.912
7	145.9932	294.061	.367	.912
8	146.6081	282.036	.569	.909
9	146.3851	278.932	.666	.908
10	146.0608	287.228	.623	.909
11	146.3311	282.277	.669	.908
12	146.3446	288.023	.507	.910
13	147.0068	283.952	.491	.910
14	146.9054	283.828	.555	.909
15	146.4865	283.299	.619	.909
16	146.8041	288.703	.410	.911
17	146.2230	285.780	.644	.909
18	146.3784	285.448	.553	.910
19	146.4459	285.827	.572	.909
20	146.2703	291.614	.310	.913
21	146.3108	286.420	.419	.911
22	146.4189	296.966	.183	.914
23	145.9459	290.242	.520	.910
24	146.9054	287.773	.375	.912
25	146.0068	295.340	.327	.912
26	146.7500	290.543	.307	.913
27	146.4865	292.700	.287	.913
28	146.4324	294.642	.251	.913
29	146.4865	291.803	.300	.913
30	145.8514	293.774	.474	.911
31	145.8784	296.638	.349	.912
32	145.8851	297.055	.329	.912
33	146.0338	289.543	.538	.910
34	146.4527	292.304	.303	.913
35	146.5270	292.278	.300	.913
36	146.1284	286.017	.606	.909
37	146.8378	289.892	.286	.914
38	146.0946	290.875	.394	.912

Table 7: Variance Table for Extraction of number of factors to be taken out

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.394	27.353	27.353	10.394	27.353	27.353	6.132	16.136	16.136
2	2.996	7.885	35.238	2.996	7.885	35.238	3.695	9.725	25.861
3	2.752	7.242	42.480	2.752	7.242	42.480	2.819	7.419	33.280
4	2.041	5.372	47.852	2.041	5.372	47.852	2.565	6.749	40.029
5	1.542	4.057	51.909	1.542	4.057	51.909	2.520	6.631	46.660
6	1.390	3.658	55.568	1.390	3.658	55.568	2.002	5.268	51.929
7	1.329	3.497	59.065	1.329	3.497	59.065	1.973	5.191	57.120
8	1.172	3.083	62.148	1.172	3.083	62.148	1.491	3.925	61.045
9	1.097	2.886	65.034	1.097	2.886	65.034	1.413	3.719	64.764
10	1.046	2.752	67.786	1.046	2.752	67.786	1.148	3.022	67.786
11	.936	2.462	70.248						
Extraction Method: Principal Component Analysis.									

Table 8: Rotated Component Matrix for extracting the factors

Rotated Component Matrix										
Statement No.	Component									
	1	2	3	4	5	6	7	8	9	10
1	.763	.038	.069	-.031	.142	.061	.176	.027	.033	.115
2	.834	.196	.112	.013	.051	.077	-.107	.067	.029	.020
3	.726	.254	.238	-.108	.062	-.092	.133	.067	-.031	.125
4	.764	.284	.164	.061	-.114	-.016	.003	-.028	-.128	.145
5	.302	.133	.037	.079	.322	.048	.007	.176	-.017	.720
6	.109	.570	.237	-.134	-.020	.330	.089	.239	-.194	.210
7	.458	.336	.015	.025	.047	-.380	-.081	-.098	-.221	.041
8	.495	.296	-.052	.231	.266	.376	-.159	-.205	-.084	.087
9	.421	.383	-.005	.281	.293	.450	.069	-.094	.064	.074
10	.701	.071	.253	.134	.034	.086	.151	.147	.006	.052
11	.494	.455	.177	.186	.124	-.077	.185	.075	.140	-.239
12	.209	.699	.186	.089	-.162	-.124	.319	.059	.010	.051
13	.432	.611	-.020	.113	-.160	-.116	-.044	-.071	.247	.084
14	.461	.485	.024	.084	.253	.211	-.317	-.208	.064	-.082
15	.428	.738	-.031	.042	.148	-.013	-.137	-.001	-.034	-.009
16	.374	.298	-.050	.176	.199	.038	-.038	.449	.073	-.004
17	.489	.479	.078	.123	.171	.063	.016	.120	.047	-.013
18	.547	.207	.058	.115	.257	-.037	.129	.188	-.296	-.318
19	.462	.264	-.015	.166	.442	.153	-.055	.104	-.134	-.314

20	.213	.127	.075	.141	.015	.045	-.037	.734	.097	.128
21	.181	.382	.151	.184	.168	-.093	.069	.183	-.420	-.060
22	-.054	.125	.142	.278	.094	-.022	.011	.222	.807	-.023
23	.380	.174	.073	.375	.136	-.130	.156	.476	.261	-.135
24	.173	.006	.185	-.050	.682	.122	.164	.004	.115	.035
25	.170	.191	.368	.202	.227	.597	.036	.003	-.013	-.045
26	.006	-.028	.175	.043	.781	.103	.167	-.034	-.052	.196
27	-.063	.134	-.025	.136	.407	.088	.743	-.076	.000	.034
28	.163	-.043	.038	.070	.044	.038	.824	.066	-.024	-.027
29	.085	.072	.215	-.046	.274	.526	.347	-.227	.235	-.020
30	.182	.143	.787	.105	.144	.062	-.026	.149	.117	-.193
31	.132	.041	.817	.009	.047	-.025	.099	-.027	.069	.111
32	.142	-.014	.739	.036	.181	-.094	-.020	.026	-.094	.047
33	.142	.283	.300	.343	.230	.112	.322	.029	.042	.287
34	.051	.035	.063	.892	-.008	-.008	.069	-.044	.005	-.032
35	.022	.050	.031	.844	.069	-.122	.070	.165	.113	.034
36	.530	.327	.348	.217	-.123	.161	-.044	.132	-.248	-.098
37	.153	.017	.024	-.026	.339	.699	.038	.086	-.113	.009
38	.187	.228	.403	.440	-.254	.128	.038	.037	.058	.123
Extraction Method: Principal Component Analysis.										
Rotation Method: Varimax with Kaiser Normalization.										
a. Rotation converged in 34 iterations.										

Table 9: Factor Classification and Name of Factor

Factor No	Component	Factor Name
1	Co-curricular activity helps child in developing Self- Confidence	Building positive character traits
	Co-curricular activity helps child in developing Discipline	
	Co-curricular activity helps child in developing personality	
	Co-curricular activity helps child in developing dedicative nature	
	Co-curricular activity helps child in developing Creativity	
	Co-curricular activity helps child in facing difficult situation	
	Co-curricular activity helps in overall development of children	
	Co-curricular activity as career option provides uniqueness to my child	
	Co-curricular activity as career option provides platform for showcasing unique talent to my child	
	Co-curricular activity as career option should be given equal weightage as academics	
	Co-curricular activity can be given sufficient time in a day	
	I am ready to pay considerable amount of money if my child is getting good opportunity to grow in co-curricular activity	
2	Co-curricular activity helps child in doing time management	Environmental gain for child
	Co-curricular activity as career option provides fame to my child	
	Co-curricular activity as career option provides financial stability/ boost to my child	
	Co-curricular activity as career option provides sustainable growth in career to my child	
	Co-curricular activity as career option provides respect to my child	
3	As compared to your era, today's children have more access to resources for Co-curricular activity	Change in point of views
	As compared to your era, today's children have more platform for Co-curricular activity	
	As compared to your era, today's children have more awareness for Co-curricular activity	
4	There is lack of institute available for co-curricular activity in my city	Concern Regarding Facilities
	There is lack of experts who can train my child in the city	
	Separate institute for co-curricular activity should be there	
5	Parents' area of interest influences in selection of Co-curricular activity for their child	Influence of family's interest
	Family background influences in selection of Co-curricular activity for their child	
6	Co-curricular activity helps child in performing under pressure	The science of doing best
	Children's area of interest influences in selection of Co-curricular activity for their child	
	Celebrity influences in selection of Co-curricular activity for their child	
	Schools can provide sufficient facilities to make co-curricular activity	
7	Emergence of reality shows influences in selection of Co-curricular activity for their child	Digitalization & modernization
	Social media influences in selection of Co-curricular activity for the child	
8	Co-curricular activity involvement affects the academic performances positively	Requirement of child & Results
	Co-curricular activity as career option requires expert training	
	Co-curricular activity as career option requires high level of dedication from child	

Table 10: ANOVA Test for Checking Significance of Factors across demographic profile

	Significance Value For ANOVA Test							
	Factor 1	factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8
City	0.17	0.67	0.22	0.73	0.96	0.04	0.67	0.01
Relation with Child	0.56	0.38	0.57	0.09	0.93	0.01	0.85	0.21
Education	0.10	0.29	0.00	0.92	0.40	0.69	0.11	0.07
Occupation	0.12	0.05	0.17	0.35	0.77	0.66	0.54	0.82
No of child	0.75	0.88	0.55	0.28	0.06	0.76	0.64	0.58
Monthly Income	0.00	0.07	0.18	0.90	0.03	0.23	0.57	0.88
Age	0.08	0.00	0.58	0.15	0.36	0.72	0.18	0.79

Table 11: Test for extraction of maximum number of function to be analysed for Discriminant Analysis

Eigenvalues				
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.317 ^a	100.0	100.0	.491
a. First 1 canonical discriminant functions were used in the analysis.				

Table 12: Testing the functions of discriminant function

Wilks' Lambda				
Test of Function(s)	Wilks' Lambda	Chi-square	Df	Sig.
1	.759	40.097	5	.000

Table 13: Structure Matrix for checking association of variables for prediction

Structure Matrix	
	Function
	1
Ready to Pay Money	.800
Provides Financial Stability	.569
Expert Training	.341
Money Spent	-.208
What is your monthly income?	-.004
Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions Variables ordered by absolute size of correlation within function.	

Table 14: Prediction Results

Classification Results					
		Do you want your child to choose Co-Curricular Activity as career option?	Predicted Group Membership		Total
			No	Yes	
Original	Count	No	34	13	47
		Yes	27	76	103
	%	No	72.3	27.7	100.0
		Yes	26.2	73.8	100.0
a. 73.3% of original grouped cases correctly classified.					

Data Analysis (Interpretation of Calculations)

Demographic Profile:

The table no. 1 shows the demographic profile of the respondents that are covered in the research. The table shows the different demographic factors like city, respondents' relation with child, education background, occupation, age, monthly income and number of child they are having.

The table clearly shows that although the research has followed non-probability convenience sampling, responses that are collected represents different demographic profile. Thus the research can be said to applicable to whole population.

Popularity of Co-curricular Activities (Frequency Analysis):

The table no. 2 shows the popularity of the different co-curricular activities those are in existence since long time among the parents. For this purpose frequency analysis is being conducted among the 160 respondents. The result of which indicates that still sports is the most popular co-curricular activity among the parents. After that singing, dancing and arts can be consider as less popular than sports but are equally popular for the second preference.

Awareness level of emerging career option (Frequency Analysis):

The table no. 3 shows the awareness level of emerging career options among the parent. For this purpose frequency analysis is being carried out for 160 parents. The result of which indicates that among the emerging career option nowadays, parents are most aware about the photography as career option. On the other hand D- Jing/ R-Jing are the career option which the parents are least aware about. Other emerging career options are having awareness among almost half of the respondents.

Factor Analysis:

The factor analysis is being conducted to reduce the number of variables into few factors which further can be analysed across the demographic profile. Factor Analysis is conducted in six steps.

Step-1: KMO and Bartlett's Test (Table No. 4)

The first step for conduction factor analysis is to run KMO and Bartlett's Test. KMO value denotes

adequacy of data to run factor analysis. In our case the KMO value is 0.836 which can be said that meritorious to run factoranalysis.

Bartlett's value denotes that weather the correlation matrix is identity matrix or not. If the correlationmatrix is identity matrix then it is of no use to run factor analysis. In our case Bartlett's value of significance is 0.000, so we can say that the correlation matrix is not identity matrix. Thus we can run the factor analysis.

Step-2: Reliability Test (Table No. 5)

To check whether the research instrument which we are using is reliable or not to provide the same result each time, reliability test is being run on the 38 statements that are included in questionnaire.

Here the Cronbach's Alpha value is 0.913, so we can say the reliability of the instrument to be best.

Step-3: Reliability improvement check (Table No.6)

This step is being carried out to improve the reliability of the instrument. In this step the Cronbach's Alpha value is being analysed on deletion of any of the variables of the instrument. In our case deleting any of the variables doesn't improve the Cronbach's Value. Thus we can move forward with the same reliability.

Step-4: Extraction of number of factors (Table No. 7)

This step is being carried out to determine the number of factors that can be extracted by conducting Factor Analysis. For this table no. 7 shows with the help of Eigen value of 1 that 10 maximum of 10 factors can be extracted by running the Factor Analysis.

The variance explained by these 10 factors is 67.786%. Thus by conducting factor analysis we are sacrificing the 32.214% of information.

Step-5: Classification of variables into different Factors (Table No. 8)

Now after conducting above four steps, the classification of the variables into different factors is being carried out. For classifying the variables into different factor, we see the rotated component matrix and its values. The value above 0.4 for any of the component against factor is taken into account. Thus, the classification of the components into different factors is being done.

In our case factor no 9 & 10 are having one component so we are neglecting these factors. This step results into decreasing the variance explained from 67.786 to 62.148.

Step-6: Naming the Factor (Table No. 9)

After classifying the component in different factors, next step is to name these factors. So we have names these 8 factors as:

1. Building positive character traits
2. Environmental Gain for Child
3. Change in point of views
4. Influence of family's interest
5. The science of doing best
6. Digitalization & Modernization
7. Requirement of child & Results

These Eight factors are there which affects the parents to perceive co-curricular activity as career option for their child in different-different context.

ANOVA Test:

The ANOVA test is being carried out to know that weather the factors that are being extracted from Factor Analysis are influencing the respondents of different demographic profile similarly or not.

We have taken all the demographic variables which are City, Relation of respondent with child, education background, occupation, no. of child, monthly income and age. We test these demographic variables against the Eight extracted Factors and tried to know that whether there is significant difference or not.

Null Hypothesis H0: There is no significant difference between all the demographic profile and eight factors.

The values in table no. 10 are <0.05 so, the above hypothesis is failed to accept and indicates that there is significance difference regarding these eight factors across different demographic profile.

Discriminant Analysis:

We found out that the factors which affect perception of the parents are affecting differently across all the demographic profile.

So, predicting the behaviour of the parent regarding letting their child select co-curricular activity becomes very difficult.

For this purpose, we run a discriminant analysis to determine the functions that can help us predicting the behaviour of the parents.

This analysis is having Four Steps which are as follows:

Step-1: Checking the maximum number of Discriminant functions

Table no. 11 shows that there is only 1 Function that can be extracted from the analysis by indicating Eigen value of 1 for only one function.

Step-2: Testing the functions of discriminant function

Table no. 12 shows Wilks' lambda statistic for the test of function 1 had a probability of >0.05 which was more than or equal to the level of significance of 0.05. The significance of the maximum possible number of discriminant functions supports the interpretation of a solution using 1 discriminant function.

Step-3: Checking association of variables with Function

The table no. 13 shows the Structure Matrix. Generally the values higher than 0.20 is considered important value and used for analysis purpose. Values less than 0.20 is not considered for interpretation purpose. Here Willingness to Pay Money, Desirability of Financial Stability, and Expert Training requirement are considered and explains the function for prediction.

Step-4: Checking the probability of success for the function

The table no. 14 shows the classification results. The cross-validated accuracy rate computed by SPSS was 73.3 % which was greater than or equal to the proportional by chance accuracy criteria of 62.5 % ($1.25 \times 50\% = 62.5\%$).

The criteria for classification accuracy are satisfied because 73.3 % of original grouped cases were correctly classified.

Thus there is 73.3% chances are there that parents giving higher scores to Willingness to Pay Money, Desirability of Financial Stability, and Expert Training

requirement tends to allow their child to choose co-curricular activity as career option.

Conclusion

From the data analysis and interpretation of the same, we can conclude that despite of many emerging career options other than academics, sports is the most popular career parents think as good apart from academics.

Despite of digitalization, the emerging offbeat career option has not able to gain much of awareness from the parents apart from Photography, Youtubing and Chef.

We have also extracted eight factors which impacts the parents to make perception regarding co-curricular activities as career option. These Eight factors are Building positive character traits, Environmental gain for child, Change in point of views, Concern regarding facilities, Influence of family's interest, The science of doing best, Digitalization & modernization and Required inputs & results.

Thus working on these eight factors can turn the table around and make parents perceive co-curricular activities as a career option for their child as good.

These eight factors are influencing different demographic profiles differently so while working on these eight factors to improve the perception of parents one has to take demographic background in mind.

Apart from these eight factors, one more function can be made useful to predict the behaviour of the parents. These function includes three components

i.e. Willingness to pay, Desire for financial stability & Expert Training requirement. So if a parent is willing to pay money to let their child pursue offbeat career, expect that this career will provide financial stability to his/ her child and feels that expert training is necessary for such careers then this parent is more likely to allow their child to go to such institutes which offers such careers.

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An Analytical Study on Perceptive Impact of Implementation of Goods and Services Tax (GST)

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Abstract

Recently implemented Goods and Services Tax in India has affected a lot many industries and indirectly daily lives of Public at large. Replacing existing indirect taxes such as Excise, Service Tax and state Value Added Taxes, GST has covered under its ambit all the goods and services that were previously taxed at almost same or increased rates. The drastic change has impacted a lot not only financially and operationally but also perceptively and emotionally. The research paper tries to discover the perceptive impact of Implementation of GST in India. The study was carried out utilising a structured questionnaire of 19 questions seeking responses for impact and change in viewpoint or lookout of respondents. Questionnaire included questions relating to transition, Corruption level, GDP, revenue generation, compliances, and readiness of public at large, results expected etc. The respondents included Chartered Accountants, Company Secretaries, Advocates, Businessmen, Service persons and students. The study reveals that the acute step of Government to introduce and implement the new tax model was expected. Overall opinion of the respondents show that they are very positive for the impact of GST implementation. Major industries will have positive impact due to introduction of GST. Whereas only few industries are expected to have negative impact thereby.

Key Words - Goods and Services Tax, GST, Perceptive Impact, Implementation of GST.

Introduction

"Taxation should not be a painful process for the people. There should be leniency and caution while deciding the tax structure. Ideally, governments should collect taxes like a honeybee, which sucks just the right amount of honey from the flower so that both can survive. Taxes should be collected in small and not in large proportions." -Arthashastra

The above statement from Arthashastra very precisely defines the principles of taxation that Government of any country shall bear in mind while levying or changing any taxation structures. The metamorphosis of indirect tax structure that the country witnessed in the recent past is once in a century like phenomenon for any country. The implementation of GST in India has transformed lives and perception of public at large in the nation. The sudden and dramatic change in the system led many to think that Government is very stiff over structural makeovers in view of the betterment and advancement of the country's economy. One nation one tax agenda has been implemented through the introduction of Goods and Services tax by replacing Excise, Service Tax and state Value Added Taxes.

Literature Review

Barhate G H (2017) has studied that the lack of information coupled with the apathy towards reforms may

paralyze the speedy implementation of this system especially in small towns where still not a single orientation programs have been planned and executed till date by competent authorities. The association of business turnover with the apprehensions can be issue worth considering when designing training programs and modules. In lieu of this it is suggested associations, NGO's should come forward to organize such programs at town level to orient small traders so that nobody is left out of this biggest tax reform in the country.

Poonam (2017) The biggest problems in Indian tax system like Cascading effect & tax evasion, distortion can be minimized by implementing GST. A single rate would help to maintain simplicity and transparency by treating all goods and services as equal without giving special treatment to some 'special' goods and/or services. The launch of GST would transform Asia's third largest economy into a single market for the first time.

Shakdwipee (2017) in his paper inquiring the level of awareness towards GST among the small business owners in Rajasthan state, found that the main areas to be focused include Training errors and Computer software availability.

Ahmad M A R (2016) in his seminal work regarding "Introducing the GST in Malaysia" stated that government should have careful planning, detailed

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preparation, participation of community and extensive public education program is the key success in the implementation of GST for any country.

Research Gap

Review of literature shows reveals that studies conducted on various aspects of GST but none of the had tried to study the Perceptive Impact of the Implementation of GST. Markets in India are sentimental and impact driven, which in turn leads the researchers to think that negative impact of GST introduction may cause reduction or downfall in confidence of investors and businessmen in capacity of markets to maintain the growth rates. Thus it is important to study the perceptive impact of implementation of GST that in-turn may throw on future prospects of markets.

Objective of the Study

1. To study opinion on Government's implementation strategies regarding GST.
2. To measure awareness of GST among selected respondents.
3. To analyse perceptive impact of GST and public expectations from Government.

Research Methodology

The study aims at finding the perceptive impact of implementation of GST among different classes of industry people which are affected by the changeover of tax structure in the country. The study is Descriptive in nature. The study was carried out utilizing a structured questionnaire being sent hard copies to respondents and

researcher has extensively used the services of Google Docs for collection responses online. The major target respondents were those who were aware of the GST laws, rules and regulations to an extent to form an actionable opinion. Chartered Accountants, Company Secretaries, Advocates, Businessmen, Service persons and students pursuing professional studies were considered eligible. In total 166 responses were received over a period of around 2 months and after scrutinising four responses were incomplete so it was discarded and finally analysis done on 162 responses. The purposive sampling technique has been used to select samples.

Various analysis were made on the data so provided by the respondents and concrete stands emerged that displayed how and to what extent GST implementation has affected people and what perceptive impact it has created. IBM SPSS Statistics 20 (Demo version) was utilized as analysis tool.

Demographic Information

The following questions formed part of questionnaire and On detail analysis of the data and study thereafter the following results have emerged,

Majority of respondents are of young age i.e. belonging to age group of 20-30. Majority knew that GST was to be implemented in India before 1 year from implementation date. This might also mean that they did not had enough time to get well equipped with knowledge and skills required for complying with regulations since Government had no provided with skeleton or master guidelines for compliance requirements and procedural modifications.

Table -1 Demographic Information

Category	Variable	Frequency	Percentage
		f	%
Age Group	20-25 Years	49	30.2
	26-30 Years	62	38.3
	31-35 Years	17	10.5
	36-40 Years	13	8.0
	41-50 Years	14	8.6
	51 and above years	7	4.3
	Total	162	100.0
Gender	Female	48	29.6
	Male	114	70.4
	Total	162	100.0
Profession	Business	18	11.1
	Professional	78	48.1
	Service	44	27.2
	Student	22	13.6
	Total	162	100.0
Since when they knew of GST implementation in India	During last 6 months	39	24.1
	Before 6 months	17	10.5
	Before 1 year	53	32.7
	Before 2 years	53	32.7
	Total	162	100.0

PERCEPTION ON GST OF SELECTED RESPONDENTS

Opinion on How much time did Government provide for getting ready for GST?

Only 28.4% respondents felt that fair enough time was given to country by the Government to get ready for such a significant makeover.

Table - 2

	Frequency	Percent
Very less	17	10.5
Less	40	24.7
Moderate	55	34.0
Fair Enough	46	28.4
Ample	4	2.5
Total	162	100.0

Perception as to, to what extent Governments and its departments were prepared for GST implementation and complete functioning thereafter?

Majority believed that even Government was not prepared well for the huge implementation.

Table - 3

	Frequency	Percent
Absolutely prepared	5	3.1
Very much prepared	40	24.7
Not so prepared	89	54.9
Not at all prepared	18	11.1
Not known	10	6.2
Total	162	100.0

When asked for, how stringent are the laws with regards to GST?

Almost more than majority took a stand that law of GST is more stringent then the erstwhile ones.

Table - 4

	Frequency	Percent
Very stringent	11	6.8
Stringent	80	49.4
At par with existing laws	35	21.6
Liberal than existing laws	18	11.1
Not Known	18	11.1
Total	162	100.0

Is our country is ready to adapt to such a drastic makeovers of indirect taxation structure?

Table - 5

	Frequency	Percent
Yes	97	59.9
No	65	40.1
Total	162	100.0

MEASURING AWARENESS OF GST AMONG SELECTED RESPONDENTS

Testing awareness of respondents as how many returns a businessman will have to file annually for a single registration?

1/5th of educated people are not aware as to how to comply with the recently introduced law and remaining majority are misguided or driven by rumours and only 20.4% knew the correct position of law as on the stage of being law implemented on 1st of July 2017.

Table - 6

	Frequency	Percent
One monthly and one annually	31	19.1
37 returns annually	65	40.1
4 parts of a return monthly and one annually	33	20.4
Not known	33	20.4
Total	162	100.0

Government and its top rank officials were successful in positioning probable advantages of new model of taxation in the country, but they were very much failure in explaining and conveying the procedure and return filing requirements to those who are to implement the tax regime in the country i.e. professionals and tax practitioner also. As a result, rumours have taken speed and grip among people that they have to file 37 returns annually. To address this issue, Revenue Secretary, Dr.Hasmukh Adhia had to repeatedly include in his speeches that business persons do not have to file 37 returns annually, instead there were 4 parts of one return monthly and one annual return.

ANALYSING PERCEPTIVE IMPACT

Impact on Various Industries

Only Gems and Jewellery and Textiles industry is opined to have negative impact whereas other all industries will have positive impact as per views of the respondents.

Has the transition period has hampered businesses?

Table - 7

Industry	Positive %	Negative %	Neutral %	Not Aware %
Banking / Finance	46.3	17.9	19.1	16.7
Oil and Gas	32.1	16.7	25.3	25.9
Information Technology	46.9	21.6	11.1	20.4
Automotive	46.9	25.3	9.9	17.9
Gems and Jewellery	30.9	45.1	8.6	15.4
Pharmaceuticals	44.4	24.7	14.2	16.7
Engineering / Manufacturing	46.3	22.8	13.6	17.3
Telecom	32.7	31.5	15.4	20.4
Construction / Real Estate	43.8	38.9	4.9	12.3
Chemicals	37.0	21.6	11.7	29.6
Media	37.0	19.1	13.6	30.2
Textile	34.6	38.9	6.8	19.8
Aviation and Hospitality	36.4	30.9	11.7	21.0
Cement and Steel	42.0	26.5	9.3	22.2
FMCG	51.2	18.5	7.4	22.8
Consumer Durables	48.1	25.3	10.5	16.0
Average	41.0	26.6	12.1	20.3

Table - 8

	Frequency	Percent
Yes	102	63.0
No	35	21.6
Not Aware	25	15.4
Total	162	100.0

When asked for How likely is the present model and laws under GST regime for respondent's industry?

Table - 9

	Frequency	Percent
Very likely	14	8.6
Likely	64	39.5
Moderate	65	40.1
Unlikely	14	8.6
Very Unlikely	5	3.1
Total	162	100.0

OPINION ON GOVERNMENT'S IMPLEMENTATION STRATEGIES REGARDING GST

Goods and services will be cheaper after implementation of GST?

As the advertised benefits of the GST stated that goods and services will be cheaper due to single tax, yet majority respondents believe that the situation in the country is to remain the same.

Table - 10

	Frequency	Percent
Very strongly	12	7.4
Strongly	35	21.6
Moderate	79	48.8
Unlikely	27	16.7
Very unlikely	9	5.6
Total	162	100.0

Whether compliance will be discouraged due to GST implementation or not?

Compliance will increase but it will not be discouraged as projected by the Government is also reflected in the opinion of the respondents here.

Table - 11

	Frequency	Percent
Yes	43	26.5
No	119	73.5
Total	162	100.0

What will be impact of GST implementation on GDP of India thereafter?

GDP is assumed to increase even though transition and implementation phases has affected almost 2 quarters' revenues.

Table - 12

	Frequency	Percent
Exponential increase	7	4.3
Increase	106	65.4
No change	28	17.3
Decrease	20	12.3
Exponential decrease	1	.6
Total	162	100.0

Will GST implementation and compliance thereafter will cause sort of recession for next 1 or 2 years?

Table - 13

	Frequency	Percent
Yes	71	43.8
No	91	56.2
Total	162	100.0

What would be the probable impact of GST implementation on corruption?

Being all the compliances and procedures online over the internet, majority of the respondents believe that corruption will be reduced as projected by the proposed benefits of GST at the time of introduction.

Table - 14

	Frequency	Percent
Increase	35	21.6
Decrease	88	54.3
No Change	28	17.3
Not aware	11	6.8
Total	162	100.0

As per respondent's belief, how would be GST's probable impact on revenue generation of all the Governments as one?

Almost 3/4th of majority responded that Government's revenue generation will increase undoubtedly and simultaneously GDP is also supposed to increase as per the belief of our respondents.

Table - 15

	Frequency	Percent
Positive	120	74.1
Negative	10	6.2
Neutral	17	10.5
Not Aware	15	9.3
Total	162	100.0

Does the respondent believe that if available, people will refer to buy goods / services without bill / invoice in order to avoid tax?

Almost equal respondents are distributed among yes and no for the opinion that whether unaccounted transactions will take place and compliance will be discouraged or not.

Table - 16

	Frequency	Percent
Yes	61	37.7
No	59	36.4
Maybe	42	25.9
Total	162	100.0

ANALYSING PUBLIC'S EXPECTATION FROM GOVERNMENT AND ITS POLICIES

Respondent believed that Government / GST council should reduce the depth of penetration of tax ambit to the most unorganized, micro and small sectors

Table - 17

	Frequency	Percent
Yes	100	61.7
No	62	38.3
Total	162	100.0

Government shall reduce the depth of penetration of tax ambit to unorganised sectors. This has two interpretations that either tax planners wish to earth the transactions via unorganised sectors or other interpretations implies that small segments should not be overburdened with high compliance costs being the sector where collection cost for revenue departments is higher as compared to collections.

More products and services should be brought under tax net?

Table - 18

	Frequency	Percent
Yes	70	43.2
No	39	24.1
Maybe	53	32.7
Total	162	100.0

FINDINGS OF THE STUDY

- Approximately 35% respondents believed that Government has given less or very less time for getting ready for GST and 65% also believe that Government was not so prepared for GST implementation, out of which 70% were professionals. Moreover, 55% respondents feel that law of GST is more stringent than existing laws that it superseded. However, 60% respondents believed that India is ready to adopt such drastic makeover of Indirect Tax Structure.
- Surprisingly, only 20% respondents are aware of correct law position, though 48% were professionals in total respondents.
- Analysing perceptive impact of respondents' views emerged that gems and jewellery industry and textile industry are supposed to have negative effect due to GST implementation. Whereas other all industries given for opinion were supposed to have positive impact as per respondents' belief. Also, majority of them have taken a view that GST has hampered business during transition time. But at the same time 48% opined that the new tax structure is favourable to their respective industries.
- Only 29% respondents could take a stand to opine that goods and services will be cheaper after implementation of GST replacing many other existing taxes and cesses. Yet 74% stated that compliance will not be discouraged though more procedural activities have been added due to GST implementation. Meaning thereby that either compliance is simple or its repercussions of non-compliance are very stiff, stringent and attract very heavy penalties.
- GDP is supposed to increase as believed by majority and also they believed that this turnaround and system changeover will not bring any sort of

recession in coming years. Due to least human intervention, corruption is expected to decrease by 54% which is also one of the advertised and probable benefit of GST. 3/4th majority agrees that Governments' revenue generation will have a positive impact of GST.

- Due to higher tax burdens as compared to existing taxes, 38% respondents have been believing that if available, people will opt to buy goods and services without bill / invoice etc. Meaning thereby, tax evasion is ought to be a consequence of GST implementation.
- Public expectations are such that GST Council / Government should reduce the depth of penetration of tax ambit to the most unorganised, micro and small sectors, i.e. reach of Reverse Charge Mechanism should be reduced. A marginal relief of purchase from unregistered seller upto Rs. 5000/- per day has been exempted as of now. On the contrary public has also to opine that more goods and services should be brought under tax bracket so as to reduce the burden from high taxed goods and services expanding the tax base and not the rate.

CONCLUSION

Overall and keen observation leads researcher to a conclusion that Government has been absolutely

excellent in projecting the probable advantages of "One Nation One Tax" concept by way of imposing GST and replacing existing many charges, cesses and taxes. On the contrary, they have been a failure to showcase the readiness for taking the call of "huge nation huge reforms" need.

There is a feeling that Government was not so prepared for GST and time given was very short. However, respondents believed that it will not bring recession and Government revenue will increase. Overall businesses were hampered during transition period. Respondents also believed that after implementation of GST, goods and services will be cheaper and more and more businesses will comply with GST rules. Due to higher GST rates people will opt to buy goods and services without bill / invoice and it will lead to tax evasion. Public expects that Government should reduce coverage of Reverse Charge Mechanism.

Even the amendments to rates and rules on 6th October 2017 clearly displays that GST Council/ Government's rates and policies were not accepted initially and because of agitations and oppositions they had to reframe the policies and rates. Apparent from the changes and non-acceptance, Government has evidenced the "trial and error" approach without understanding the tax bearing capacities and ignoring the crucial key points in successful implementation of tax reform called GST.

THE UNIVERSITY CREST



The
tree in
the Crest is
the Historic Mango
tree where the founders
of this seat of learning
started their activity and the
rising sun behind the tree represents
the light of learning that is being
spread by this Rural Centre of Education.
The Sanskrit dictum in the form of a
crest presents the ideal viz. "Character
and conduct are the fruits of
learning" - “शीलवृत्तफलं श्रुतम्” - that
is set before it by the
great personality after
whom this place
and this Uni-
versity are
named.